

most popular Mosel. **Deinhard**

message: **BOTTLED IN GERMANY.**


When you open the bottle you will discover why.

Most wines travel better in bottle than in cask, and by bottling our wines near the vineyards (to the stringent regulations of the German State) we ensure that it reaches you at its peak, with all its delightful freshness and crispness intact.

And, perhaps it's naturally surprising that Deinhard Green Label is easily Britain's most popular Mosel. **DEINHARD**

THE
1964
WINE
OF THE
YEAR
AWARD

ESTD
1878

A black and white photograph of a bottle of Deinhard Green Label wine. The bottle is dark with a light-colored label that features the brand name 'DEINHARD' prominently. The bottle is shown from a slightly low angle, emphasizing its height.

Farming and Raw Materials

Danes act on farm antibiotics

By Our Own Correspondent

COPENHAGEN, Nov. 24. MR. L. F. Frederiksen, Denmark's Minister of Agriculture, has announced that he will seek to introduce a measure making it a punishable offence—by fine and imprisonment—for a farmer to deliver a pig for slaughter if it contains antibiotic residues. He also wants to tighten up Denmark's already strict regulations controlling the prescription and treatment of animals with antibiotics.

Mr. Frederiksen's move follows a press campaign, culminating at the weekend when a Copenhagen paper claimed that a sample had shown "traces" of antibiotics in 35 per cent of pigs sent for slaughter. It turned out that, in fact, the "traces" were injection scars, not residues. But residues were found in other tests.

CALIFORNIA OLIVE OIL HIT

By Our Own Correspondent

LOS ANGELES, Nov. 24. About a third of California's olive crop was destroyed by an unseasonable hard frost at the end of October. Some growers have lost their entire crop while others are not getting size to their olives, reports the Consolidated Olive Growers.

Total output of this year's crop is estimated at 30,000 gross tons, down from projections prior to the frost of about 70,000 tons.

'Britain facing crucial pig shortage'

BY GODFREY BROWN

A WARNING that Britain could be faced with an acute shortage of pigs in the crucial period of Common Market entry was given yesterday by Mr. H. M. Newton-Clare, chairman of the Sausage and Meat Pie Manufacturers' Association. Mr. Newton-Clare, who is chairman of Boveries (Wiltshire), also told the association's annual lunch in London that the rise in fresh meat prices during and after Britain's EEC entry would increase the value-for-money aspect of manufactured meat products.

He said the Minister of Agriculture, Mr. James Prior, who was a guest at the lunch, had been told of the association's alarm at the result of the September pig census, which confirmed that the breeding herd was decreasing. As EEC entry approached, it was vital that steps were taken to ensure and maintain the confidence of the pig producing industry to provide the necessary basis for the pigmeat using industries to compete throughout the transition period.

They took it for granted on present trends that at the next review (in February) of the flexible guarantee arrangements

for pigs, the Minister would restore at least part of the reduction in the standard price made last May. But they doubted whether a 50 per cent increase would be enough to restore confidence among producers and reverse the downturn.

It is our clear view that if this trend is allowed to continue, we will be in danger of an acute pig shortage during the crucial period of Common Market entry," said Mr. Newton-Clare.

Feedingstuffs

Mr. Prior said that after a very careful look at the position they had decided against making any further changes in the operation of the flexible guarantee. They had made arrangements in August to ensure there was no further cut in the pig guarantee, and while it would remain at the present level of 9p per score below the standard price for the next three months, there seemed a very real probability that when the February production forecast was made this deduction would be reduced to 4p per score. This would mean an improve-

ment in producers' returns, which should be reinforced by the benefits they were now getting for the lower costs of feed-instuffs. He said there had been some contraction in the pig herd, but he didn't want it taken too far, and he hoped production would now level out.

Mr. Prior described the recent reduction in bacon market supplies as a necessary development, but hoped there would be no precipitate action that might disturb stability and confidence. He was disturbed by reports that meat producers said this would be the major theme of the British Sausage Bureau next year.

He promised there would be "no unjustified increases" in the prices of their products, but pointed out they were highly material costs, so the extent to which they could maintain prices during next year was largely out of their hands.

Bismuth price undermined

BY JOHN EDWARDS

A SHARP CUT in the U.K. bismuth price, from £4.20 to £3.09 a kilo, was reluctantly announced yesterday by Mining and Chemical Products. The reduction follows a cut by the Cerro Sales Corporation in the Peruvian price of bismuth from \$4.75 to \$3.50 a lb. per ton lot agreed, the company said, after consultation with the Peruvian Government agencies concerned.

The Cerro spokesman added that the action was taken in the long term interest of the industry and as a means of stimulating consumption. A spokesman for Mining and Chemical Products said that a decline of this magnitude was surprising, but they had no choice but to follow since the Peruvian price was the main factor in the market.

U.S. coffee Bill delayed

WASHINGTON, Nov. 24.

Legislation to extend U.S. obligations under the International Coffee Agreement until September 30, 1973, almost certainly cannot clear Congress this year, a Senate finance committee spokesman said here.

Because of the Bill's controversial nature, the committee is now leaning toward public hearings and with Congress attempting to reach adjustment by mid-December, the coffee legislation would have to be delayed until after Congress reconvenes in mid-January.

Legislation to extend Washington's participation in the Coffee Act until September 30, 1973, passed the House earlier this month after being caught up in controversy which delayed the legislation for several months. Officially, Washington's obligations under the agreement expired last June 30.

The main issue at stake is whether the agreement is an artificial prop for world coffee prices to the detriment of American consumers and the benefit mainly of Brazil.

In Bogota, the Colombian agriculture minister Hernan Ocampo told coffee growers the Government will help the industry through its present crisis caused by a bad winter.

He told the opening of the coffee growers national congress yesterday it would revise internal prices and give financial aid and easier credit to growers. A report prepared by growers for presentation to the congress said losses this season would be unprecedented.

The producer price was already being undermined by free market dealings at between \$3.00 to \$3.15 a lb.

The last cut in the producer price of bismuth in July was under pressure from the free market and was the first reduction for over ten years.

Stomach powders

Mining and Chemical Products, which has controlled the producer price of bismuth in Europe for many years, does not agree that the price cuts will stimulate any extra demand. For example, it is pointed out that the substitute for bismuth stomach powders in France, one of the metal's main outlets, are already available at much cheaper prices.

Only last week Mining and Chemical Products announced that it had bought up a major proportion of the surplus supplies available from Japanese producers, the main suppliers to the "free" market, in an effort to stabilise bismuth prices.

However, the move by Cerro, instigated by Peru, one of its largest world producers of bismuth—has obviously undermined this price stability plan. One consequence, however, is that the official producer price is now much closer to the competitive free market price than previously.

Sugar talks start

By Our Commodities Staff

Talks on the triennial review of the Commonwealth Sugar Agreement, which started in London yesterday, could well go on into December, according to a spokesman for the Ministry of Agriculture yesterday, reports Reuter.

A spokesman for the Commonwealth Sugar Exporters said the length of the talks will depend on the initial discussions this week.

Main items on the agenda at the talks is expected to be a request by Commonwealth sugar suppliers especially the West Indian producers, for a rise in the present price paid by Britain to \$3.50 a ton, with an additional \$1.50 to \$4 a ton for developing countries.

World sugar prices are at present around \$10 a ton, and from 1972 onwards the Commonwealth sugar values will be subject to EEC arrangements.

GATT seeks to end oils import barriers

GENEVA, Nov. 24.

The 80-nation GATT conference has agreed to explore the possibility of removing barriers in industrialised countries to the import of tropical oils, a spokesman said.

This follows a report by the "group of three" chairmen of GATT contracting parties, the GATT Council and the GATT Committee on Trade and Development—which found countries are not willing to end duties on vegetable oils unless all others did the same.

The group's report also recommended that importing countries—particularly Continental Europe—should reduce duties on tea and coffee asked for support for the cocoa conference, which will be held next year by the United Nations Conference on Trade and Development.

USSR GRAIN CROP NEAR RECORD LEVEL

MOSCOW, Nov. 24.

Premier, told the Supreme Soviet today that the 1971 USSR grain harvest will total about 180m. tons. This falls short of last year's record harvest of over 185m. tons, but is up on the previous record of 171.2m. reached in 1966.

Experts disagree on farm research policy

BY JOHN HERRINGTON, AGRICULTURE CORRESPONDENT

THE Government will base its legislation on the future of Agricultural Research Councils on the Dainton Report—"A Framework for Government Research and Development," published yesterday.

This report originated in the suggestion that responsibility for the Agricultural Research Council should be transferred from the Department of Education and Science to the Ministry of Agriculture.

The basic reason behind this proposed change was the widespread criticism among the farming industry (which included the advisory services, although in the past this was muted), that the ARC was more interested in fundamental, rather than applied, research. Applied that, to farmers' present problems.

Practical farming

It was also felt that in many fields the research facilities in countries like New Zealand and Ireland, which were mainly applied, were far more effective in developing practical farming than those under the present system in Britain. There has also been widespread criticism of the difficulty of channelling research into particular areas to the ARC, or disseminating it.

The report is in two parts, a trenchant analysis of the present position by Lord Rothschild, which does suggest certain changes in the concept of Government-sponsored research, and Sir Frederick Dainton's rather more orthodox approach.

Lord Rothschild suggests that the criterion for much research should be on a customer-contractor basis. That is, the user, be it Government department or industry, should indicate a certain area to be investigated and the Research Council should direct a proportion of its resources to that end.

This would be in contrast with more general research which he instances as finding a drought-resistant variety of wheat, the psychology of domestic farm animals. Resources devoted to such general subjects should, he suggests, be limited to 10 per cent of the total budget. And in particular, he suggests that 80 per cent of the ARC's budget should go to the Ministry of Agriculture.

Sir Frederick's report, that of the Council for Scientific Policy, seems to take a directly opposite view. There is no suggestion that the ARC should go to the

Ministry of Agriculture, rather than ever with the Department of Education and Science, and that in future the chairmen of the Research Councils should be working scientists, which in the case of the ARC they have not always been.

Educational aid

Neither report seems to go far enough in defining the channel of communication between the farming industry and the Agricultural Research Council, which seems to be the main feature of the present system. There is a danger that in the Government's consideration of the proposals, this particular factor will be omitted, leaving the position as it was before.

This whole problem may arise from a misconception of the real functions of the Research Councils, which were originally formed to assist higher education, and not a specific industry. This is why they operate under the aegis of the Department of Education and Science.

Indeed there is no reason why the ARC should not continue to function as long as it can be seen to be in touch with the needs of the farming industry.

Guernsey flower transport move

BY OUR OWN CORRESPONDENT

GUERNSEY, Nov. 24. GUERNSEY'S 3,000 flower growers, who send over 50m. worth of flowers to the U.K. market each year, are to have their freight problems handled by a statutory Flower Transport Authority which the island's Parliament decided today should be operating on January 17, 1972.

At present—apart from small groups—individual growers make their own freight arrangements. The new Authority is planning to set up an air carrier system to carry flowers to London, East Midlands, where boxes will be loaded into road

transporters for onwards delivery. Mr. F. Le Poldevin, president of the Guernsey Horticultural Association, said today, the industry had been losing over £200,000 a year through delays, damage and pilfering.

Mr. E. D. Collas, president of the island's advisory committee, warned that if the Authority was not set up, Dutch flower growers within the EEC, would "carve up U.K. markets for themselves."

He said: "They know that some of our flowers will be lost in transit before getting on

the markets. We must be geared up to compete with them."

The monthly air freight contract has been promised to Rousseau Aviation International, an offshoot of a French independent airline, provided that it gets the necessary licence from the Civil Aviation Licensing Board. The company plans to use two Argosy 200 aircraft that will be based in Guernsey. Growers could face freight charges of up to 46p per box. Meanwhile, Sagittarius, a company which is competing for the contract, has set up a "trial service" at 15.75p per box.

Canadian wood products outlook better

BY OUR OWN CORRESPONDENT

MONTREAL, Nov. 24.

FOR THE Canadian forest products industry, the International Exchange rate is of much importance, since the U.S. demand for building materials has accounted for the turnaround in earnings of the integrated forest products companies, he said. Lumber production by U.S. companies had risen by 10 per cent this year. They had not been able to increase the rate further in the face of the projected 1972 housing

boom in the U.S. so Canadian production will be needed.

Mr. Clynne expects U.S. newsprint production to rise 3-4 per cent next year and pulp demand to grow by about 8 per cent, although over-capacity in pulp would still affect the market. There should be an improvement in the Eastern newsprint market as the Nixon economic package is expected to stimulate the expected economic surge in the U.S., he added.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Up again on the London Metal Exchange. Prices moved within narrow limits and carried amounted for a fair proportion of the turnover. The Rhodesian settlement news had little effect on the market. There were hopeful signs of an imminent steelworkers' strike while the India-Pakistan situation again tended to put off sellers. Turnover 11,772 metric tons.

Henry Gardner and Co. reported that in the morning, cash wirebars traded at 125.5, 91, 93.5, Early Dec. 280, 290, 300, 310, 320, 330, 340, 350, 360, 370, 380, 390, 400, 410, 420, 430, 440, 450, 460, 470, 480, 490, 500, 510, 520, 530, 540, 550, 560, 570, 580, 590, 600, 610, 620, 630, 640, 650, 660, 670, 680, 690, 700, 710, 720, 730, 740, 750, 760, 770, 780, 790, 800, 810, 820, 830, 840, 850, 860, 870, 880, 890, 900, 910, 920, 930, 940, 950, 960, 970, 980, 990, 1000.

WIREBARS: Late Nov. 280, Three months 290.5, 300, 310, 320, 330, 340, 350, 360, 370, 380, 390, 400, 410, 420, 430, 440, 450, 460, 470, 480, 490, 500, 510, 520, 530, 540, 550, 560, 570, 580, 590, 600, 610, 620, 630, 640, 650, 660, 670, 680, 690, 700, 710, 720, 730, 740, 750, 760, 770, 780, 790, 800, 810, 820, 830, 840, 850, 860, 870, 880, 890, 900, 910, 920, 930, 940, 950, 960, 970, 980, 990, 1000.

in Penang also helped in underpin prices. Turnover 300 tons. Morning: Cash 41.2, Three months 41.5, Afternoon: Cash 41.2, Late Jan. 41.5, Three months 41.5. Kibla: Cash 41.5, Three months 41.5. Tin: 141.2, 141.5, 141.8, 142.1, 142.4, 142.7, 143.0, 143.3, 143.6, 143.9, 144.2, 144.5, 144.8, 145.1, 145.4, 145.7, 146.0, 146.3, 146.6, 146.9, 147.2, 147.5, 147.8, 148.1, 148.4, 148.7, 149.0, 149.3, 149.6, 149.9, 150.2, 150.5, 150.8, 151.1, 151.4, 151.7, 152.0, 152.3, 152.6, 152.9, 153.2, 153.5, 153.8, 154.1, 154.4, 154.7, 155.0, 155.3, 155.6, 155.9, 156.2, 156.5, 156.8, 157.1, 157.4, 157.7, 158.0, 158.3, 158.6, 158.9, 159.2, 159.5, 159.8, 160.1, 160.4, 160.7, 161.0, 161.3, 161.6, 161.9, 162.2, 162.5, 162.8, 163.1, 163.4, 163.7, 164.0, 164.3, 164.6, 164.9, 165.2, 165.5, 165.8, 166.1, 166.4, 166.7, 167.0, 167.3, 167.6, 167.9, 168.2, 168.5, 168.8, 169.1, 169.4, 169.7, 170.0, 170.3, 170.6, 170.9, 171.2, 171.5, 171.8, 172.1, 172.4, 172.7, 173.0, 173.3, 173.6, 173.9, 174.2, 174.5, 174.8, 175.1, 175.4, 175.7, 176.0, 176.3, 176.6, 176.9, 177.2, 177.5, 177.8, 178.1, 178.4, 178.7, 179.0, 179.3, 179.6, 179.9, 180.2, 180.5, 180.8, 181.1, 181.4, 181.7, 182.0, 182.3, 182.6, 182.9, 183.2, 183.5, 183.8, 184.1, 184.4, 184.7, 185.0, 185.3, 185.6, 185.9, 186.2, 186.5, 186.8, 187.1, 187.4, 187.7, 188.0, 188.3, 188.6, 188.9, 189.2, 189.5, 189.8, 190.1, 190.4, 190.7, 191.0, 191.3, 191.6, 191.9, 192.2, 192.5, 192.8, 193.1, 193.4, 193.7, 194.0, 194.3, 194.6, 194.9, 195.2, 195.5, 195.8, 196.1, 196.4, 196.7, 197.0, 197.3, 197.6, 197.9, 198.2, 198.5, 198.8, 199.1, 199.4, 199.7, 200.0, 200.3, 200.6, 200.9, 201.2, 201.5, 201.8, 202.1, 202.4, 202.7, 203.0, 203.3, 203.6, 203.9, 204.2, 204.5, 204.8, 205.1, 205.4, 205.7, 206.0, 206.3, 206.6, 206.9, 207.2, 207.5, 207.8, 208.1, 208.4, 208.7, 209.0, 209.3, 209.6, 209.9, 210.2, 210.5, 210.8, 211.1, 211.4, 211.7, 212.0, 212.3, 212.6, 212.9, 213.2, 213.5, 213.8, 214.1, 214.4, 214.7, 215.0, 215.3, 215.6, 215.9, 216.2, 216.5, 216.8, 217.1, 217.4, 217.7, 218.0, 218.3, 218.6, 218.9, 219.2, 219.5, 219.8, 220.1, 220.4, 220.7, 221.0, 221.3, 221.6, 221.9, 222.2, 222.5, 222.8, 223.1, 223.4, 223.7, 224.0, 224.3, 224.6, 224.9, 225.2, 225.5, 225.8, 226.1, 226.4, 226.7, 227.0, 227.3, 227.6, 227.9, 228.2, 228.5, 228.8, 229.1, 229.4, 229.7, 230.0, 230.3, 230.6, 230.9, 231.2, 231.5, 231.8, 232.1, 232.4, 232.7, 233.0, 233.3, 233.6, 233.9, 234.2, 234.5, 234.8, 235.1, 235.4, 235.7, 236.0, 236.3, 236.6, 236.9, 237.2, 237.5, 237.8, 238.1, 238.4, 238.7, 239.0, 239.3, 239.6, 239.9, 240.2, 240.5, 240.8, 241.1, 241.4, 241.7, 242.0, 242.3, 242.6, 242.9, 243.2, 243.5, 243.8, 244.1, 244.4, 244.7, 245.0, 245.3, 245.6, 245.9, 246.2, 246.5, 246.8, 247.1, 247.4, 247.7, 248.0, 248.3, 248.6, 248.9, 249.2, 249.5, 249.8, 250.1, 250.4, 250.7, 251.0, 251.3, 251.6, 251.9, 252.2, 252.5, 252.8, 253.1, 253.4, 253.7, 254.0, 254.3, 254.6, 254.9, 255.2, 255.5, 255.8, 256.1, 256.4, 256.7, 257.0, 257.3, 257.6, 257.9, 258.2, 258.5, 258.8, 259.1, 259.4, 259.7, 260.0, 260.3, 260.6, 260.9, 261.2, 261.5, 261.8, 262.1, 262.4, 262.7, 263.0, 263.3, 263.6, 263.9, 264.2, 264.5, 264.8, 265.1, 265.4, 265.7, 266.0, 266.3, 266.6, 266.9, 267.2, 267.5, 267.8, 268.1, 268.4, 268.7, 269.0, 269.3, 269.6, 269.9, 270.2, 270.5, 270.8, 271.1, 271.4, 271.7, 272.0, 272.3, 272.6, 272.9, 273.2, 273.5, 273.8, 274.1, 274.4, 274.7, 275.0, 275.3, 275.6, 275.9, 276.2, 276.5, 276.8, 277.1, 277.4, 277.7, 278.0, 278.3, 278.6, 278.9, 279.2, 279.5, 279.8, 280.1, 280.4, 280.7, 281.0, 281.3, 281.6, 281.9, 282.2, 282.5, 282.8, 283.1, 283.4, 283.7, 284.0, 284.3, 284.6, 284.9, 285.2, 285.5, 285.8, 286.1, 286.4, 286.7, 287.0, 287.3, 287.6, 287.9, 288.2, 288.5, 288.8, 289.1, 289.4, 289.7, 290.0, 290.3, 290.6, 290.9, 291.2, 291.5, 291.8, 292.1, 292.4, 292.7, 293.0, 293.3, 293.6, 293.9, 294.2, 294.5, 294.8, 295.1, 295.4, 295.7, 296.0, 296.3, 296.6, 296.9, 297.2, 297.5, 297.8, 298.1, 298.4, 298.7, 299.0, 299.3, 299.6, 299.9, 300.2, 300.5, 300.8, 301.1, 301.4, 301.7, 302.0, 302.3, 302.6, 302.9, 303.2, 303.5, 303.8, 304.1, 304.4, 304.7, 305.0, 305.3, 305.6, 305.9, 306.2, 306.5, 306.8, 307.1, 307.4, 307.7, 308.0, 308.3, 308.6, 308.9, 309.2, 309.5, 309.8, 310.1, 310.4, 310.7, 311.0, 311.3, 311.6, 311.9, 312.2, 312.5, 312.8, 313.1, 313.4, 313.7, 314.0, 314.3, 314.6, 314.9, 315.2, 315.5, 315.8, 316.1, 316.4, 316.7, 317.0, 317.3, 317.6, 317.9, 318.2, 318.5, 318.8, 319.1, 319.4, 319.7, 320.0, 320.3, 320.6, 320.9, 321.2, 321.5, 321.8, 322.1, 322.4, 322.7, 323.0, 323.3, 323.6, 323.9, 324.2, 324.5, 324.8, 325.1, 325.4, 325.7, 326.0, 326.3, 326.6, 326.9, 327.2, 327.5, 327.8, 328.1, 328.4, 328.7, 329.0, 329.3, 329.6, 329.9, 330.2, 330.5, 330.8, 331.1, 331.4, 331.7, 332.0, 332.3, 332.6, 332.9, 333.2, 333.5, 333.8, 334.1, 334.4, 334.7, 335.0, 335.3, 335.6, 335.9, 336.2, 336.5, 336.8, 337.1, 337.4, 337.7, 338.0, 338.3, 338.6, 338.9, 339.2, 339.5, 339.8, 340.1, 340.4, 340.7, 341.0, 341.3, 341.6, 341.9, 342.2, 342.5, 342.8, 343.1, 343.4, 343.7, 344.0, 344.3, 344.6, 344.9, 345.2, 345.5, 345.8, 346.1, 346.4, 346.7, 347.0, 347.3, 347.6, 347.9, 348.2, 348.5, 348.8, 349.1, 349.4, 349.7, 350.0, 350.3, 350.6, 350.9, 351.2, 351.5, 351.8, 352.1, 352.4, 352.7, 353.0, 353.3, 353.6, 353.9, 354.2, 354.5, 354.

Isagree
olicy

american
news

EC reply
U.S.
tests
xt week

Donald Dale

BRUSSELS, Nov. 24. The European Community's Foreign Ministers are expected to approve a brief reply to U.S. over the Community's ons with non-candidate s of EFTA when they re on Monday. Earlier th the U.S. warned the ty in a verbal note that n trading interests e taken into account in th the EFTA coun- d hinted at possible U.S. on if this was not done. six countries involved, om the Community is g to negotiate industrial de agreements, are Switzerland, Austria, Portugal and Iceland. reply, currently being by the six permanent tatives here, the Com- s expected to stress that osed arrangements will with GATT rules, and- that it has always been s position that no new rriers should be erected w when the community is e view of most people e U.S. protest, delivered mber 5, has only under- need for speed in the ions with the non-candi- ie to start next month.

proposal for
ribbean
pping

By Own Correspondent

T OF SPAIN, Nov. 24. SSIBLE establishment of ar shipping service the Caribbean Free ea countries and three merican states bordering Caribbean sea will be one ighlights of discussions pen to-day in Caracas Foreign Ministers from dependent Carifta states eir Latin American arts. ad and Tobago's Minister al Affairs, Kamaluddin oed, who is also chairman Carifta regional shipping is leading his country's n. The Venezuelan s association recently ard the suggestion for a service to promote trade Carifta and certain Latin n countries and the pro- s been received with n Trinidad and Tobago al circles. Issues for discussion at e-day Caracas meeting national exploitation of resources and the develop- f tourism between Com- th Caribbean and Latin

hamas
and fish
lustry

By Own Correspondent

NASSAU, Nov. 24. IRST phase of a pro- to develop the country's ndustry will be intro- by the Bahamas govern- t the end of this month 10 new 42-foot shallow all purpose refrigerated vessels are launched. al estimates are that s a potential demand for a rcial fishing fleet of 50 t vessels to be built over t three years. When fully nal, the fleet is expected oloy some 2,000 people, or in allied services. ur Fisheries for whom its are being built, plans to purchase three 72-foot s equipped with freezing s for transporting the fish ots in Freeport and Bahamas loses an esti- \$8m. worth of fish y to Florida-based Cuban poaching in Bahamian This figure has been l considerably in the past llowing the commission- four police patrol boats. government is hoping that e introduction of more s fishing methods it can e considerably the yield ndustry. Food imports ar totalled \$47.6m.

60m. bulk oil storage depot
nd port for New Brunswick

OUR OWN CORRESPONDENT

AK, Nova Scotia, Nov. 24. NENTIAL Oil Co. is to a \$60m. bulk oil storage and deepwater port at ille, 10 miles south-west John, New Brunswick. terminal will be used for rage and transhipment of and Gulf crude to on the U.S. eastern sea- truction is to begin early ear and the first of three s expected to be ready irection by mid-1973. o \$14m. of the cost of the barrels capacity depot is supplied by the New ick Government, about of this will be involved construction of the main k and will be recoverable charges extended over ns. No expenditures by

the Canadian Federal Govern- ment are to be made but New Brunswick's Premier, Mr. Richard Hatfield, said federal assistance for the project would be welcome at any time. The docking facilities will extend 1,200 feet from shore into a depth of 105 feet of water. One of the three berths will serve supertankers of up to 300,000 deadweight tons. The other two will be for shuttle tankers of between 50,000 and 60,000 tons. The large super-tanker terminal will be a multi-use facility, able to take other vessels. The two smaller berths will be controlled by Conoco.

Refinery plan

The U.S.-owned oil company is considering construction of a 200,000 barrel-a-day oil refinery

near the port site. A \$80m. oil-fired thermal generating station is being constructed there by the New Brunswick Electric Power Commission. Conoco is expected to bid on fuel supplies for the refinery, but it has been given no advanced commitment by the provincially-owned power authority. The St. John area is one of the few places on the eastern seaboard of North America capable of accommodating vessels of 300,000 tons. Irving Oil Company, of St. John last year opened a \$14m. floating oil wharf at nearby Misser Point. It supplies crude to the company's 100,000 barrel-a-day St. John refinery. Plans have also been announced for a bulk coal and iron ore trans shipment depot at Lorneville, involving Japanese steel interests.

Argentina may suspend
all foreign payments

BY OUR OWN CORRESPONDENT

THE ARGENTINE Central Bank President, Sr. Carlos Brignone, has sent up an economic distress signal with his statement that the country for the first time in its history may have to suspend foreign payments.

There seems to be no doubt that his statement, made during a speech at the Free Enterprise Forum, was intended for President Alejandro Lanusse, now confined to the presidential villa again by a kidney ailment.

Dr. Brignone and the Finance Minister, Sr. Cayetano Lliccardo, have presented their economic recovery plan to Gen. Lanusse, who is also considering at least two others.

There is evidence that Dr. Brignone, in making the statement, did not intend to create quite the stir that he has. Reporters present at the luncheon were asked not to take notes, and tape recorders were forbidden. The official communique reporting the speech merely said that Dr. Brignone "had expressed his confidence that the difficulties would be overcome."

Since the beginning of the year more money has been printed in Argentina than at any other time in the country's history, with the exception of the 1980s—which Dr. Brignone also mentioned in his bombshell speech. He said that more private capital—the Central Bank President estimated \$1,000m. since the beginning of the year—had fled the country than during any previous period of similar duration.

Former Finance Minister Juan Quilici, who preceded Sr. Lliccardo in the post, said shortly before being replaced last month that local capitalists had holdings totalling \$5,000m. in the U.S. and Europe.



President Lanusse

fore, although Dr. Brignone's dire prediction that foreign payments may be suspended may not come to pass, a re-financing of the foreign debt would seem to be unavoidable.

Last week in Buenos Aires, Robert Finch—an adviser and trouble shooter of President Nixon—admitted that there will be talks between the Argentine Government and a score of American banks for a \$500m. credit. Mr. Finch mentioned New York's First National City as the leading bank in the group.

BUENOS AIRES, Nov. 24.

Moreover, there are reports that Argentina may receive as much as another \$500m. in credits from a group of European banks.

In his speech Dr. Brignone said that the rate of inflation in Argentina this year will be in the neighbourhood of 40 per cent. Dr. Brignone added that Argentina can support a "normal" annual inflation of 20 or 25 per cent, but that with an inflationary rate of 40 or 50 per cent, what exists is "hyperinflation" which carries with it the danger that the country's economy will escape all controls. So far this year, the black market rate of exchange has shot up from four to nine pesos to the dollar.

Meanwhile, during these same ten months the budgetary deficit has been 284.5 per cent above the deficit for the equal period last year. National expenditure increased by 42 per cent while foreign borrowing went up 59 per cent and revenues from local sources increased only 23 per cent.

Argentina's low export levels would seem to be in large part the result of export taxes initiated by former Economy Minister (1967-70) Adalberto Krieger Vasena as a method of obtaining revenue. This continuing practice is coming in for considerable criticism by many Argentine economists, who point out that even the most powerful countries subsidise their exports.

NIXON ASKS FOR
STRIKE REPORT

WASHINGTON, Nov. 24.

PRESIDENT Nixon asked for a status report on the United States East and Gulf of Mexico dock strike, a step that could lead to a Taft-Hartley injunction to halt the walk-out.

White House Press secretary Ronald Ziegler said Mr. Nixon asked the board of inquiry that has been studying the strike to meet Wednesday and report to him on Thursday. Based on the report Mr. Nixon will decide whether to seek a court order under the Taft-Hartley Act to halt the strike for 80 days, Mr. Ziegler said.

AP-Dow Jones

Peru negotiates
more oil deals

LIMA, Nov. 24.

THREE more foreign oil companies are negotiating contracts for exploration-development work in Peru's Amazon basin, Petroperu, the state oil company, said to-day. A Petroperu communique identified the companies as Phillips Petroleum, Amoco Standard Oil (Indiana), and Shell Oil.

The companies are seeking contracts similar to those already signed with three other foreign companies for exploration-development of oil resources in Peru's north-eastern jungle. Petroperu said. The state company last week signed a contract with BP. Previous agreements were signed with Occidental and with Tenneco and Union Oil jointly. AP-Dow Jones

U.N. university proposed

BY OUR OWN CORRESPONDENT

UNITED NATIONS, Nov. 24. There has been speculation that, if the project goes through, U Thant, the UN Secretary General who was a teacher before he became a diplomat might be appointed the first Rector. He is to retire from office at the end of this year. U Thant first suggested to the General Assembly two years ago the idea of an international university to stimulate creative thinking and research on world problems.

In his report on the study and consultations of the project that have been taking place, he says, "what is now contemplated is not a university in the conventional sense of the term," but a flexible system of co-operation among scholars and institutions engaged in higher learning and research under a small programming and administrative unit.

TRINIDAD LABOUR RELATIONS

Trying to tame the radicals

BY OUR TRINIDAD CORRESPONDENT

THE fundamental similarity between last year's State of Emergency in Trinidad and Tobago, which lasted from April 20 to November 19, and the one currently in force, which began on October 19, is that they were both declared by the Governor-General when it appeared that the organised labour movement was prepared to disrupt the normal workings of the economy.

There the resemblance ends, for while last year's declaration was preceded by seven weeks of street politics, demonstrations, arson, intimidation, lawlessness and a high level of racial rhetoric from public platforms, the present Emergency crept upon the country, to use one commentator's words, "like a thief in the night."

The population was certainly surprised when Prime Minister Dr. Eric Williams went on television and radio to announce in his famous dry monotone that Governor-General Sir Solomon Hochoy, acting on the advice of the Cabinet, which had before it the views of the National Security Council (established after the "black power" protests and the regional mutiny last year), had proclaimed a state of public emergency in Trinidad and Tobago.

The Prime Minister attributed the decision to invoke emergency powers to the threat posed to Trinidad and Tobago's economy by "a major jurisdictional dispute between two of the country's most prominent unions."

This dispute involves the second and sixth largest unions (in terms of membership) in the country but the most important in terms of influence and power—the Oilfield Workers Trade Union (OWTU) and Seamen and Waterfront Workers Trade Union (SWWTU).

OWTU is led by the most radical labour rhetorician in the Commonwealth Caribbean, an avowed admirer of the Cuban system, a consistent opponent of the Williams regime and a "black power" platform speaker and marcher during last year's turbulence—George Weekes, aged 48.

Under his President-Generalship, the union has changed its constitution to embrace workers

not only in oil but in any industry and has succeeded in attracting membership from the electricity, rubber, construction and even agricultural industries.

OWTU has attempted to oust the sitting union in another public utility, the Water and Sewerage Authority, in one area of local government, the San Fernando Borough Council and in ship-building and repairs, Swan Hunter (Trinidad) and Tugs and Lighters. It is this latter initiative that has brought Mr. Weekes into collision with the Seamen and Waterfront Workers Trade Union.

SWWTU, which is generally regarded as being sympathetic to Dr. Williams's administration, responded to the trespassing of OWTU by instructing its members on the Port of Spain docks not to unload pipes that had arrived for despatch to the Amoco Trinidad Oil Co.'s offshore drilling platform on Trinidad's East Coast.

It threatened sanctions against any oil company in which the OWTU was the recognised union (virtually all of them) and said that SWWTU members would not be allowed to handle any of the hundreds of tankers which call at Trinidad each year.

When the Badger workers decided to convert their go-slow into a full stoppage, the company concluded it could not control the workforce and decided to shut down the site, whereupon some 300 men invaded the project manager's office, smashed furniture and equipment, destroyed records and documents and beat-up two members of the American supervisory staff, one of whom, Edward McGuire, the project manager, had to be rushed to hospital with a gasbed head.

Within 48 hours, the company decided it had had enough and had 35 members of its expatriate supervisory staff and their families, 106 people all told, out of Trinidad to Miami on a hastily chartered jet, temporarily abandoning the job for which it had been engaged by Texaco.

Six days later, on the very day that the SWWTU ultimatum to OWTU expired, the State of Emergency was declared and

action considered necessary to bring an end to this undesirable (poaching) situation."

While the OWTU and SWWTU were locked in combat, jurisdictional squabbles of no less importance were taking place in the sugar and cement industries, lightning strikes and go-slows were becoming regular features of industrial relations (in contravention of the law, incidentally) and the Employers' Consultative Association was lamenting the "anarchy" which characterised the industrial scene and suggesting that management in Trinidad and Tobago to-day had become "a dangerous, if not impossible, task."

The climax came with an eruption of violence at the \$32m. Texaco Trinidad desulphurisation plant site at Pointe-a-Pierre, in the heart of the oil belt. Workers employed by the Pan-American contractors, Badger Far-American Incorporated, went on a go-slow for 15 days in sympathy with colleagues employed on the same site by a subcontractor, George Wimpey (Caribbean), who had withheld their labour on the grounds that they were being paid less than men directly employed by Badger.

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Dr. Williams could not resist a bitter reference to the Badger incident in his broadcast to the country. The desulphurisation plant, which will make Trinidad's high-sulphur fuel acceptable to U.S. consumers, was an investment "which the Government had made every effort to attract here," he said. The closing down of this major industry was "intolerable," 2,000 workers, "most of them among the highest paid in the country," had been rendered unemployed and "the revenues of the Government would suffer severely as a result."

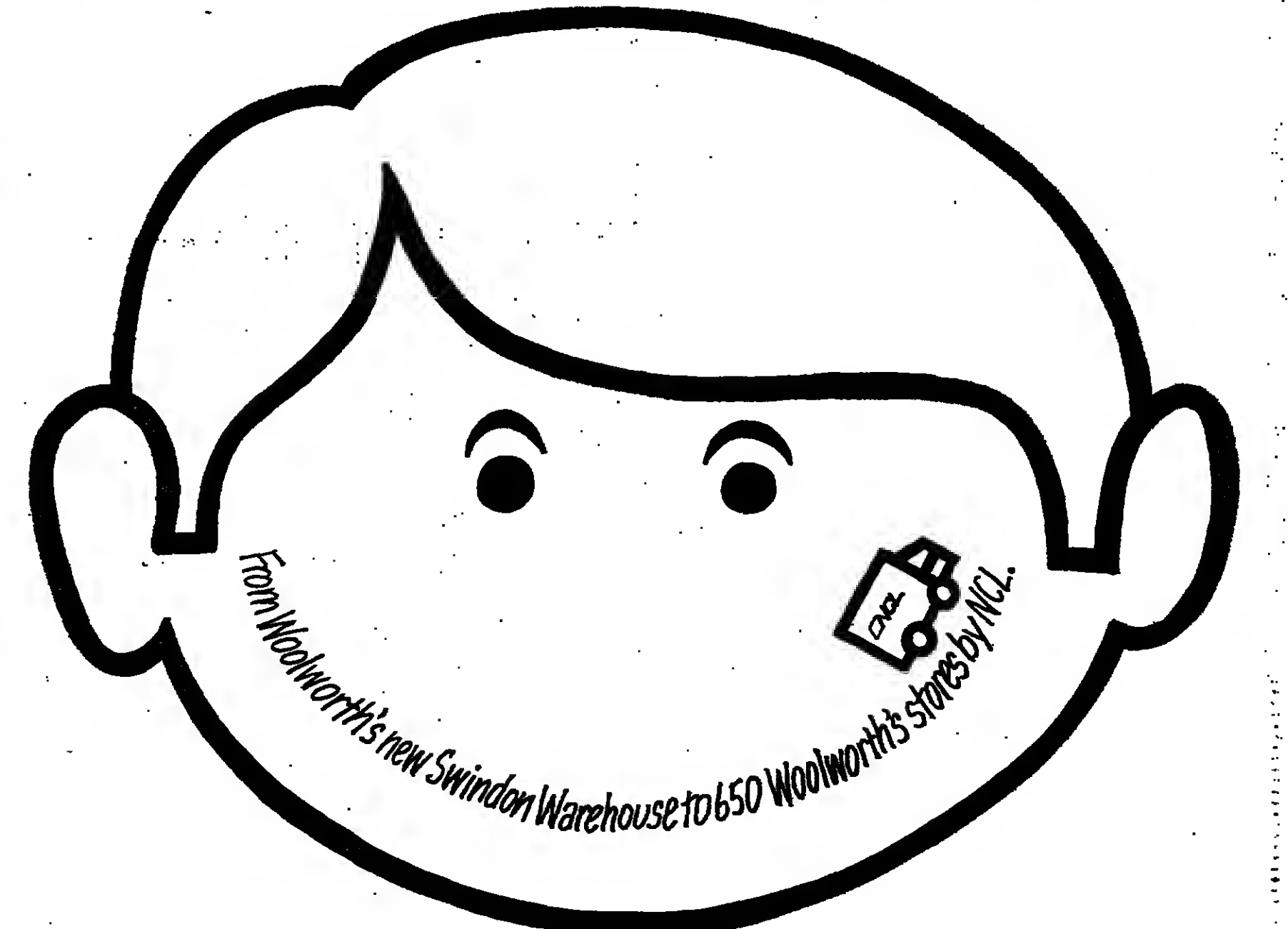
By the imposition of a second Emergency only 11 months after the termination of the last, Dr. Williams has shown that he has no intention of allowing irresponsible unionism or radical activism of any persuasion to disrupt the oil exploration now taking place off Trinidad's East, South-East, North and South coasts.

The Government is obviously counting on a mini oil boom from its marine areas, and the signs are favourable that it will be able to regain the heights of popularity it enjoyed up to four or five years ago and to provide the jobs and the revenue with which social unrest can be neutralised.

Of the 16 people detained under the emergency regulations, at least seven are connected with the Oilfield Workers Trade Union, including Mr. Weekes himself and the union's legal adviser, Jack Kelsall; the rest are adherents of "black power."

Legislation

Dr. Williams has indicated that the Emergency will give the Government the breathing space it needs to introduce new labour legislation to demarcate union jurisdiction, eliminate poaching, regulate strikes and go-slows, control processions and demonstrations and revise the Seditious Utterances Ordinance, with special emphasis on the preaching of racial hatred, and that Parliament will sit virtually continuously until all these laws have been passed.



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Export News

Kenya deal for Mowlem

THE Mowlem Construction Company has won a £12m. contract to build infrastructure for the £14m. Broderick Falls Pulp and Paper Mills, it has been announced in Nairobi.

The mills, located about 240 miles north-west of Kenya's capital, are expected to begin production by 1974, and will then provide 85 per cent. of paper products at present imported against foreign exchange, and employ 1,500 people.

Mowlem will construct industrial buildings, roads, fencing, drainage, water treatment works, effluent works, sanitation works, offices and staff houses.

Finance for the project is being raised by the Kenya Government, in conjunction with the World Bank, the International Finance Corporation and Orient Paper Mills of India.

EXPORT PROMOTION

PLA move opens way for World Trade Centre plan

BY DAVID CURRY, EXPORTS EDITOR

THE final shape of the London World Trade Centre has been revealed with the announcement that Taylor Woodrow is buying St. Katharine Dock House from the Port of London Authority.

Together with a warehouse also bought from PLA, Dock House, under its somewhat flattering new title of Europe House, will form the nucleus of the World Trade Centre and will be the first part to be completed.

The Port of London Authority is moving some of its administration into Europe House early next year, and will be joined by the London office of the Port of New Orleans.

The World Trade Centre is part of a £30m. redevelopment being carried out by Taylor Woodrow on the 26 acre site at St. Katharine by the Tower, immediately to the east of the Tower of London on the north bank of the Thames.

The complex will include conference facilities, hotel accommodation for 1,750 people, private and local authority housing for 2,000 people, a yacht basin designed from the 10 acres of harbour, entertainment facilities, a church, schools, shops and a health centre.

Some 1m. square feet of traditional space will be provided, the idea being to intersperse display

floor with office space. The display will be permanent, unlike the large specialised exhibitions planned for the proposed centres at Birmingham and Nordholt.

Taylor Woodrow will ensure full information, administration and secretarial services at the centre. Such systems as telex for on-line specification checks, instant access to trading information, and computer facilities have been envisaged for the benefit of smaller companies working on a time-shared basis.

A library will house specifications, delivery and price details of manufactured goods and mail services, travel and booking facilities, printing and distribution operations and bonded clerks to handle shipping questions are planned for the Centre.

In addition the Centre will have its own radio and TV network and will be on the Fleet Line of London Transport.

The developer describes the aim as "the creation of an integrated community providing a total business-living environment for merchant trading in London." For those who like their environment plush, flats ranging from bed-sitters to pent-houses complete with valet services will be available for leasing.

Fife forge job for Russia

By Andrew Hargrave

A SMALL Scottish company, Fife Forge, of Kirkcaldy, has won a £140,000 order for propeller shafts to be installed in a series of 12 Russian tankers being built by a consortium of Finnish shipyards.

Udenkumpunkki, the main contractor acting on behalf of two other yards.

Fife Forge employs about 140 workers and 60 per cent. of its output of marine forgings is for overseas customers. The company's current export orders include propeller shafts for shipyards in Brazil and Greece as well as spare shafts for Italian shipowners.

BRITISH TRADE IN THE MIDDLE EAST

Banking on mutual self-interest

BY DAVID CURRY, EXPORTS EDITOR

BRITISH exporters should stand by to take advantage of "a mammoth import explosion" in the Middle East, Mr. Michael Noble, Minister for Trade, told a British Bank of the Middle East seminar in London yesterday.

In 1970 British sales to the Middle East, Turkey and Iran totalled £400m., and these could double within four years, he declared. Over the last three months exports had been running at an annual rate of £450m. a year.

But Britain's showing was well below that of our major competitors. In the five years to 1970 our sales had increased by less than two-thirds in value, and inflation had paid a significant part in this rise. Italy and Germany had pushed up their sales by 90 per cent. in value and Japan doubled hers. Outside the three Maghreb countries, France had also doubled her sales.

Political image

Britain's advantage in the future would lay in the increasing sophistication of the markets, the adjustment of sterling relative to competitive currencies as a consequence of the American monetary measures, and a more favourable political image as this country disengaged militarily from the area.

Mr. Noble reminded businessmen that ECGD would soon be able to offer insurance against political risks and that the Overseas Development Administration would be enabled, as part of the same reform, to underwrite pre-investment studies in the developing countries.

Britain would be extending its exhibits at international fairs with pavilions at Tripoli in the spring and at Addis Ababa in the autumn. Participation in the Baghdad Trade Fair in October depended upon sufficient interest being shown by British concerns.

Sir Eric Drake, chairman of British Petroleum, outlined the expected growth in oil revenues in the Middle East. In 1970 the Middle East had produced 690m. tons of crude oil of which 236m. came from North Africa. Of the total receipts in the order of £2,500m., Libya had taken £540m., Saudi Arabia £574m., Iran £448m., Kuwait £374m. and Abu Dhabi \$96m.

In addition to this, direct spending by the oil concerns locally was estimated at about £280m. last year.

The OPEC agreements were expected to push up receipts in the current year by £4,500m., some 64 per cent. higher than would have been earned at the pre-OPEC settlement rates. By 1975 revenues were likely to be running at £6,500m., or £2,800m.



Mr. Michael Noble—cashing in on the import explosion



Sir Eric Drake—keeping the oil revenues flowing

more than 1970 rates would have provided.

Sir Eric saw no immediate likelihood of a slackening in the rise of production or revenue. Some 65 per cent. of the world's recoverable supplies of crude oil were in the Middle East and North Africa.

However, the cost of recovery would rise as harder structures had to be tapped.

Alaskan and North Sea supplies would not replace the Middle East. The 100m. tons a year expected from the North Sea by 1980 would do little more than satisfy the rise in demand in Western Europe which was expected to be 75m. tons a year by 1980.

Quick returns

The world currency upheaval posed problems for the oil companies in that the oil revenues were in dollars or sterling and many of the purchases by the oil producers were from Japan or Western Germany. The producers were seeking compensation for the relative decline in their purchasing power. A joint fact-finding commission was examining this.

Mr. Richard Bailey, executive partner in the industrial consultancy Gibb Ewbank and Coy, said that the Middle East could, in certain respects, be classed as part of the developing world.

Although certain States had high income per capita (£1,500 per head in Abu Dhabi and £500 in Kuwait), others, notably Jordan and Egypt, fulfilled many of the classic symptoms of underdevelopment.

Wealth was highly concentrated, and although this stimulated investment, the investment

did not necessarily take the best paths for the economy, partly because of the Arab penchant for a high, quick return on risk capital.

The fact that there were not large numbers of people on the national payroll meant that consumer goods were unlikely to find any dramatic new markets, he said.

The absence of a large sector of subsistence agriculture meant that there was not available a large reserve of manpower which could be pulled into industrial development, and many of the favoured industrial projects were, in any case, of a capital-intensive rather than a labour-intensive nature.

The Middle East also suffered from administrative difficulties and lack of infrastructure. Bureaucracies were slow to get the development bit between their teeth and Governments tended to draw up development plans which duplicated each other.

Mr. Bailey thought that Algeria, Morocco and Tunisia provided immediate scope for more British business. Imports last year from OECD countries had been worth \$583m., of which France had contributed \$300m. and Britain only \$25m.

The relative abundance of capital in the Middle East commended it for joint venture projects, since it was the transfer of skills and technology most in need.

The question of joint ventures was dealt with by Mr. Maurice Kewley, Arabian Gulf Area Manager for United Africa Company. Joint ventures, he thought, had traditionally been defensive mechanisms; now they could move on to the offensive.

Their defensive role was clear. They protected an existing market, particularly in face of attempts to create tariff and tax conditions to foster it, and they satisfied the demand for nationals to assume a wider role in the country's economy.

The Middle East partner might well have assets like land, buildings, manufacturing capacity, local management and a thorough knowledge of his market, and the political structure of the country.

The foreign partner brought the product, know-how, research, specialised management skills in areas like marketing. Both sides frequently had the cash. He stressed the need for each partner to have distinctive and necessary contributions to make, and pointed out the importance of making sure that each partner constituted a good return on capital, over what period it was expected, and about the provision of further working capital.

Management responsibility had to be clearly defined, and the foreign partner had to get all the necessary Government clearances before proceeding with the project.

Consultancy

"Arab socialism is tolerant of the profit motive," Mr. Kewley declared. "The possibility of finding a basis for complementary self-interest is higher in the Middle East than elsewhere."

An idea of the development priorities of the Middle East Governments was given by Mr. R. L. Fitt, a partner in Sir Alexander Gibb and Partners.

In 1970, he said, 30 British consultancy firms were engaged in work with a value of £568m., which, over the life of the projects, be worked out at about £12m. a year.

Of this investment docks and harbours accounted for 21 per cent. of the consultancy work, industrial development 18 per cent., drains and sewage 15 per cent., water supply 9 per cent., and roads and bridges were also accounting for about 9 per cent.

Broken down by countries, Saudi Arabia was responsible for about 30 per cent. of the work, the Trucial States about 20 per cent., Iran 11 per cent. and Libya 11 per cent.

He pointed out that much of the work under British consultancy was not being done by British contractors. In the three years from 1967 British contractors had got new work worth £28m., while the French figure was £115m., and the West German £104m. The British "catch" in 1970 was about £24m., representing some 71 per cent. of overseas contracting efforts.

NEW ISSUE

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IN BRIEF

Faircrete to be made in North America

Lalor Construction Services Inc., member company of the Lalor Group in America, has signed an agreement for the manufacture in North America of Faircrete, a decorative concrete developed by Lalor Britain. The agreement is with Span-Deck Inc., of Nashville, Tennessee.

Span-Deck will license precast concrete producers throughout the U.S. and Canada and will manufacture the necessary machinery for Faircrete production. Span-Deck is a concrete machinery manufacturer and licensor of a proprietary structural floor system which is marketed in North America.

Faircrete is made from the conventional constituents of concrete, to which are added special inert fibres and suitable air entraining medium. It has the ability to hold a deep profiled pattern, while retaining a high degree of workability. Sculptural effects in fine detail can be achieved, the company claims.

Marking small gas cylinders

Tradimex, of Zagreb, Yugoslavia, has ordered a £4,000 special marking press from Edward Peper and Son, Sheffield, to apply marks to small gas cylinders for use in hospitals. The cylinders contain various types of anaesthetic gases and are designed to hold the correct volume for one patient. Since the gas may be administered by nursing staff as well as specialist anaesthetists it is essential that the contents are clearly indicated.

Previously the small steel cylinders, only two or three inches in circumference, have been marked by hand punches. Pryor's hydraulic EP67 roll marker can apply several lines of consistently deep characters and the output can be as high as 700 units an hour. The machine is hand fed and automatically cycling, controlled by a single foot pedal. Marking pressure is 4½ tons.

Iceland is to send a group of its air traffic controllers for training in the U.K. Under an agreement between the Civil Aviation Administration of Iceland and international Aeradio, 15 students will attend the IAL school of air traffic control at Southall, near Heathrow, during the next few months.

A seven-week course in secondary surveillance radar is being prepared to include theoretical classroom training and practical experience on the school's radar simulator. It will be attended by the first 10 students in January, 1972, with the rest undergoing their training in January, 1973.

The radar simulator will be specially programmed to reproduce the traffic patterns of the Reykjavik oceanic control area which includes the transatlantic air traffic passing through the region.

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metal
ike

Christopher Lorenz

FRANKFURT, Nov. 24.

a widespread lock-out in
German metal working
only just over 24 hours
the union today began
to reopen negotiations
e employers.

side in the deadlocked
spite expects talks to be
fore the introduction of
court.

ffects of the three-day-old
ave begun to spread right
the country, as companies
with firms in the worst
as, Stuttgart and Mann-
an into production diffi-
because of a shortage of
ents.

wing the escalation of the
situation in the North
North Württemberg
employers. Decided
lock-out would affect all
the area employing over
orkers. A total of 544
ies would be hit, employ-
ut 380,000 of the region's
metal workers. To-day's
picture was almost the
s yesterday's 120,000
s out at about 80 plants.

ndesbank
ief hopeful

parities

Christopher Lorenz

FRANKFURT, Nov. 24.

RATED American re-
to devalue the dollar
not be taken too seriously,
esident of the West Ger-
Bundesbank indicated to-
Dr. Karl Klasen added that
was a real chance that pro-
wards the fixing of new
s would be made at next
meeting of the Group of
Rome.

skens to
rm new
vernment

legend Dale

BRUSSELS, Nov. 24.

ASTON Eyskens, Belgium's
ng Premier, to-day
ed King Baudouin's invita-
o form a new Government
ud be would aim at renew-
the coalition that has
ed the country since
1968.

ino Euro

Mintoff's aim: developing
Malta for the Maltese

SANDY McLAHLAN

VALETTA, Nov. 24.

IA'S George Cross image is
shed in many British eyes.
New Labour Government
r the leadership of Mr. Dom
r has broken away from
ole of the U.K.'s military
terrestrial fortress. Mr.
iffa much published
igness to sell his grand
ur on a commercial basis
e highest bidder (Eastern
not excepted) has upset
who feel it is British by
e right.

is move and its strategic
ations have earned Mr.
off and his new Malta a
British Press. He heads a
list Government, but in fact
seen in many quarters as
ore dangerous animal than
a Socialist prime minister.
fact what he seems to be
ng for is a Maltese Malta:
ore and certainly no less.
e is no doubt that he is anti-
ip in some respects, but it
iv on particular issues where
feels Britain has taken
ntage of Malta. It is not a
er of principle.

er sensitive

is week, Mr. Mintoff gave his
official Press conference to
British Press since coming
five months ago. He
the impression of being
sensitive about the ways in
Britain has harmed his
id (he is particularly upbraid-
the way British property
ulators made a lot of money
the property boom in Malta,
the Maltese economy and
he got little benefit). But this
t, he is genuinely trying to
e Malta a country which is
on behalf of its 315,000
ibitants, and not for anyone
apparently he is succeeding.
ding between the lines it is
ir that the island's days as a
sonal tax haven are num-
ed. There is a "temporary"
argo on the residence per-
s which allow people to live
the island and pay income
at 21p in the £, but which
hibit them from working or
ing part in politics. Currently
chances of this embargo
ag lifted seem small, and the

force new links to exploit its

But we will compete with it."

U.K. warns EEC against tampering with treaty

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Nov. 24.

BRITAIN to-day issued a firm warning to the Six not to try to tamper with the terms of the Common Market entry by inserting new elements into the Accession Treaty not covered during the course of the membership negotiations. U.K. officials are particularly worried about the agricultural chapters of the treaty, which is now due to be signed in less than one month.

At to-day's session of the negotiations at deputy level, Mr. Freddie Kearns, chief British negotiator on agricultural affairs, said that drafts had still not been given to the U.K. on certain key points agreed earlier in the entry talks. He accused Community experts in the multi-lateral treaty-drafting committee of trying to add new legal provisions which went beyond the scope of agreements reached between the two sides at political level.

'Cheating'

British officials said the sections of particular concern to the U.K. are those covering deficiency payments, the timetable for the dismantling of agricultural tariffs, and the treatment of Commonwealth sugar exports to the Community after the Commonwealth Sugar Agreement expires at the end of 1974.

Although more diplomatic language was used inside the meeting, British sources are privately accusing the Six of cheating by trying to recover ground in the treaty drafting which they had either conceded or overlooked in the formal negotiations.

Another example, in the British view, of Community sharp practice concerns Britain's contribution to the Community's budget in the transitional period. To Community apparently forgot to make provision for the payment of farm levies on British food imports from the Six into the common fund during the transitional period. The Six are now trying to include this in the treaty, but the British see no reason why they should.

Britain also sharply rejected to-day a Community proposal on animal health regulations as being totally unrealistic. There is a profound difference of view between U.K. and Community experts on methods of dealing with foot-and-mouth disease (the U.K. slaughters, the Community vaccinates) and the issue is now to be taken up in contacts with the Brussels Commission.

The U.K. also took a tough stand on a request that exports of Scotch whisky, a grain-based product, should be granted rebates under the Common Agricultural Policy. Britain is asking the Six to amend their regulations to ensure that such subsidies will be available before the U.K. joins the Community on January 1, 1973. But apart from a few major points of contention, a large number of other items were finally settled to-day's meeting, which had a record run of 23 points on the agenda. Britain agreed to align with the Community's system of generalised preferences for developing countries after a one-year transitional period on January 1, 1974, and a two-year period was agreed for alignment with Community arrangements for "drawback" (the system under which exporters can reclaim duty on imported raw or semi-finished materials).

Settlements

Settlements were reached on food additives and the use of antibiotics in animal feedstuff, and on the value of duty-free pigling that U.K. travellers may bring back to the country after more than 24 hours abroad. The value is to be increased from £10 to around £30 from the date of entry, excluding items like wine, spirits, and tobacco.

Finally, it was agreed that the status of U.K. military bases in Cyprus would be discussed in the context of trade negotiations with the island's Government, which has asked for an association agreement with the enlarged Community. It was also agreed that the U.K. could continue its present regime on imports from Papua and New Guinea during

the five-year transitional period, before the end of which the arrangements would be reviewed. The Common Market is now sounding out the U.K. and the other three candidates for membership on a new proposal on fishery limits, the last major political issue of the entry negotiations. In an attempt to move closer to the position of the candidates, the Community is now offering an overall six-mile limit, with special areas in which 12-mile limits could be maintained, plus protection for certain kinds of fish in the six- to 12-mile belt.

Revised

The new proposal is a revised version of an earlier suggestion by the Community under which the six-mile limit could be maintained for at least ten years, with a few 12-mile exceptions. The Community is now offering additional areas where the 12-mile limit could apply, for example, the North-West of Ireland, and conceding that some fish should be protected for up to 12 miles, even where the six-mile limit is the general rule.

The kinds of fish the Community is thinking of are principally salmon and crustaceans. This would ensure 12-mile protection for Devon and Cornwall shell fishermen, in addition to the separate 12-mile limit the Community earlier suggested for the Orkneys and Shetlands. It would also extend similar protection to numbers of fishermen in other parts of U.K. so far not included in the 12-mile area proposed by the Community.

The whole issue will come to the boil in Brussels next Monday, when Ministers from all four candidates will be here for entry negotiations. Although the new proposals are much more favourable from the U.K.'s point of view, Britain does not want to make a final settlement until it knows what the other candidates are going to get. The U.K. is firmly on the record that Britain must get at least "comparable" treatment to that given the other candidates, including Norway, where the problem is even more politically delicate.

THE GATT

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Overtaken by events

BY DAVID EGLI, GENEVA CORRESPONDENT

THE OLD SAW about people in glass houses not throwing stones is likely to be levelled at the American trade negotiators as a result of their uncompromising call for a major study on the extent to which the rules of GATT are being eroded by preferential and special trading arrangements. Critics of the American position, including the European countries, will of course retort that, in their application of a 10 per cent surcharge on imports, in their provision for tax advantages to domestic international sales corporations (DISCS) and in the "Buy American" aspects of President Nixon's present commercial policies, the Americans themselves are riding roughshod over some of the basic provisions of the GATT agreement.

Disdain

In this sense, the proposal introduced by the U.S. delegate Mr. Herbert Propps, to the 27th session of the Contracting Parties here in Geneva may appear to be one-sided. The first consideration motivating the U.S. move is said to be "a sincere and deep belief that strong adherence to the rules of GATT is indispensable to the continuation of progress toward a successful multi-lateral trading system."

Although the GATT provisions do, of course, make allowances for balance of payments difficulties, the form, at least, of the American "across-the-board" surcharge on imports, displays the same "disdain" of GATT principles of which the U.S. accused Britain for resorting earlier to the same device.

But however one-sided the current attack on preferential agreements may be, few will choose to claim that it is unfounded and no one can consider it as unexpected. What, in fact, has happened is that the American Administration has adopted the position of the Senate Committee on Finance as spelled out in a staff analysis at the end of last year. This, in effect, said that GATT should be redefined to take out the "inequitable provisions" which discriminate against certain countries, namely

of course the U.S., and put in new provisions to cope with new conditions in the world economy. Mr. Russell Long's committee, beside finding that the safeguard on balance of payments is "an anachronism," inconsistent with other principles in GATT, found that the General Agreement as presently constituted "is not a guide to fair trade."

This latter stipulation may come as something of a surprise for those who have been following the work of GATT in the years through the Dillon and Kennedy rounds and seen the efforts of the U.S. executive to bring home to Congress the "international commitments" of the U.S. under GATT. In fact, however, the basic agreement of 1947 was never submitted to Congress and is being observed in Washington through a "protocol of provisional application" — there are signs that the Administration has now bowed to the Congressional complaint that the same respect for "international commitments" should be demanded from other Contracting Parties as is expected by the Administration of the U.S. itself.

The thrust of the American attack is centred on the extensive watering down of the Most Favoured Nation rule which, as article one, has been considered as the cornerstone of the GATT. There is no question but that the General Agreement does sanction departures from unconditional MFN treatment in the case of customs unions and free trade areas. The complaint, however, of Congress is that these "exceptions" effectively allow European countries to depart from MFN treatment "when it suits their commercial interests."

Mr. Propps in his presentation was following a realistic line when he complained that the European Economic Community appeared to have preferential tariff arrangements with approximately 25 countries in addition to its ties with dependent countries and territories. He did not point out, as the Senate study did, that the legal question of

whether the Rome Treaty is consistent with GATT has never been clearly settled.

This is obviously academic but what is less so is that when all the free trade areas, customs unions and other special trading arrangements around the world are added up, one arrives at a massive undermining of the trade concept. The GATT tariff study itself shows that the 16 industrial countries covered by that study, imported \$12,000m. worth of industrial products of which some 30.4 per cent were traded under preferential rates of duty. With the breakdown of this huge percentage available in the official tabulations, it is hard to take issue with the American contention that the 80-odd GATT Contracting Parties have drifted into two groups of countries, those belonging to preferential agreements and those who do not, or do so only on a minor scale.

The working party which the Americans are calling for will have to determine for each country the breakdown between imports at MFN rates and those at preferential rates during the last 15 years, and to analyse and to evaluate the implications of these trade flows. This is a difficult exercise, but it appears both to be worthwhile and necessary. For several years now, the GATT secretariat has been industriously working on the remaining obstacles to trade after the full application of the Kennedy Round provisions. It has prepared a comprehensive analysis of the tariff situation as it will exist next year and has fed much of this information into a computer so that areas where further balanced reductions can be achieved are readily identifiable. But the brunt of the secretariat efforts has been directed against non-tariff barriers, which were virtually excluded from the Kennedy Round and previous trade liberalisation negotiations but which constitute significant obstacles to the free flow of goods internationally.

So far, detailed studies have been produced concerning three main areas. In the field of customs valuation there have been efforts to reconcile the systems used in North America and

Australia, based on FOB prices, and the CIF base line employed by the signatories of the Brussels convention. Differences in national standards, particularly health and safety regulations, have also been reviewed and in a third area Government involvement in import licensing and official procurement policies has been examined. In the present session of the Contracting Parties, there has been some debate on the advisability of including export subsidies, import documentation, and marketing and packaging regulations in the growing list of non-tariff barriers.

But however much preparation goes on in these areas, whether purely on a secretariat basis or through the discussion in working parties and study groups, it should be abundantly clear by now, if it has not been for some time, that the chances of further trade liberalisation progress in restricted fields depends on a broader review by the Contracting Parties of where GATT stands at present and how effective its rules are in the conduct of international commerce. Everyone appears to agree that if GATT didn't exist, it would have to be invented. But there is no guarantee, in that hypothetical eventuality, that the agreement would come out looking anything like the work of the founding fathers back in 1947. The pattern of world trade since then has changed beyond recognition.

Damage

For a long time, Mr. Oliver Long, the present Director-General of GATT, and others, have been warning that the most effective way of avoiding a retreat into protectionism is to maintain some forward momentum in trade liberalisation efforts. Now, daily, the climate prevailing in international trade matters is tending to deteriorate, according to the Chairman of the Contracting Parties, Senor Carlos Besa of Chile. "If the present confrontation continues, a return to protectionist policies would appear to be inevitable, with serious damage to the economies of the Contracting Parties as a whole."

Soviet sets itself new economic target

BY OUR OWN CORRESPONDENT

MOSCOW, Nov. 24.

THE SOVIET Prime Minister, Mr. Kosygin, to-day outlined a programme of steady economic expansion to put Soviet industrial and agricultural production above the present U.S. level by 1975.

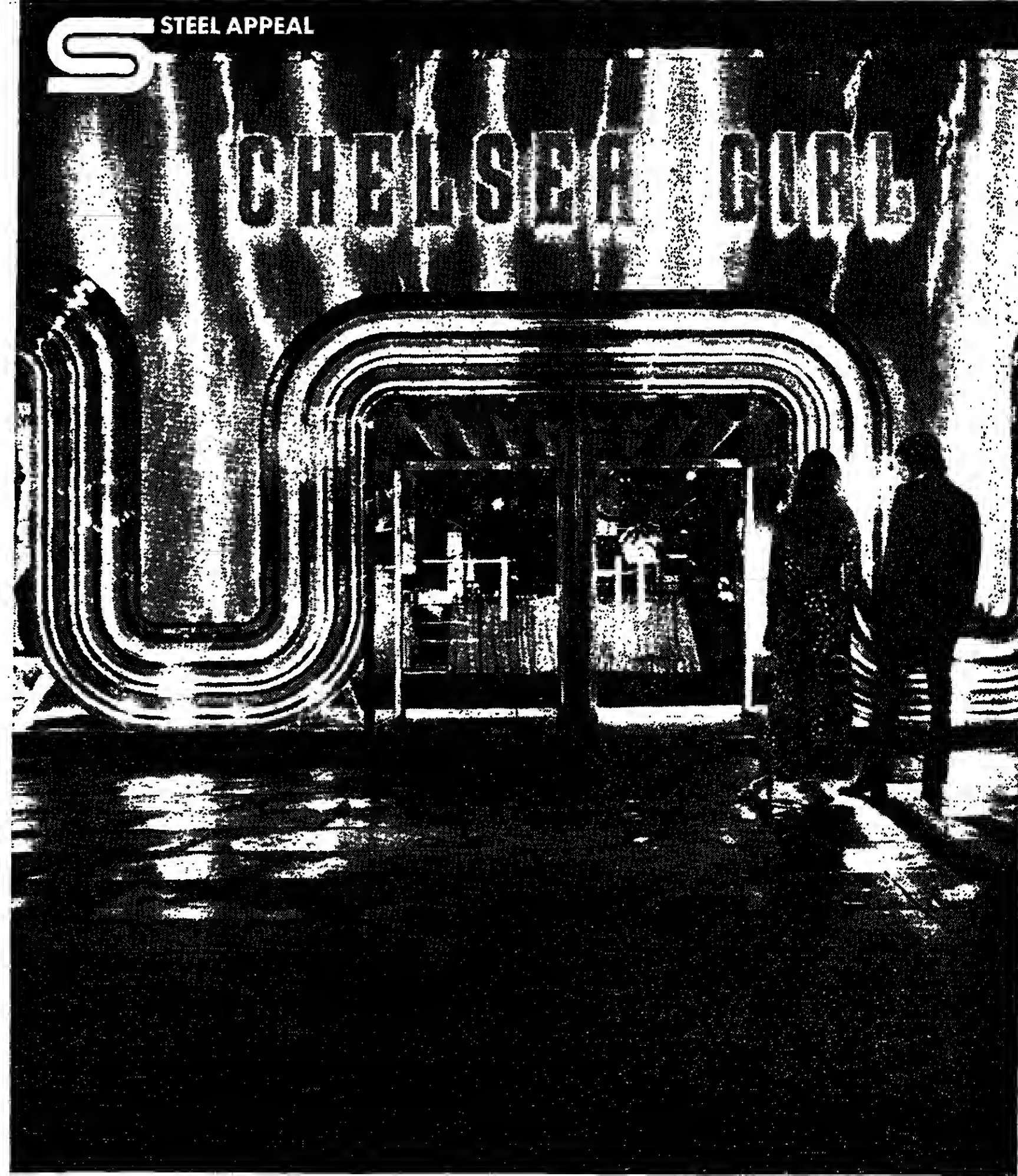
In a speech to the Supreme Soviet to-day, he said that heavy industry and defence will not be overlooked in the drive to raise the standard of living.

For the second year in succession, no increase is to be made in defence expenditure which will remain at the present level of 17,900m. roubles (just over £3,000m.). Defence will therefore account for 10.3 per cent of the total budget—a drop of 0.8 per cent, and the lowest figure in relation to Government spending for two decades. The alloca-

tion figure does not, of course, cover all defence expenditure, which is reckoned to account for about a quarter of the national income available for growth purposes.

National income in 1973 will be 173,700m. roubles. Industry is to take 82,600m. roubles. On the basis of the results of the first ten months of this year, the main targets of the 1971 plan are expected to be met with 5,000m. roubles worth of goods manufactured above the plan.

The grain harvest this year was 180m. tons which, although less than that of last year, is higher than the previous record of 171.2m. tons in 1966 and in view of the unfavourable weather conditions is considered a success.



Stainless steel shopfront — Chelsea Girl, 5 Piccadilly, Manchester.

Steel's the scene

Stainless steel is strong and attractive. And it will look new for years. Used outside, it withstands the weather. Fitted inside, it withstands the crowds. It can look business-like on banks and exciting on boutiques. It's so adaptable.

Stainless steel for all kinds of architecture—by British Steel.

British Steel Corporation

RHODESIA: HOW THE NEWS WAS RECEIVED

Industry cheered by trading prospects

BY MICHAEL BLANDEN

THE prospect of renewing normal trade and commercial relationships with Rhodesia was widely welcomed by British industry yesterday. The tobacco and asbestos companies, both holding substantial historical interests in the country, were particularly hopeful of the benefits which would follow political agreement.

At the same time, the news brought sharp rises in hectic dealings in the dozen Rhodesian Government stocks, on which interest and redemption payments have been frozen since UDI. The leading Rhodesian stock on the market, the 2½ per cent, 1968-70, showed a gain of £25 at £73 per cent, against its low this year of £26, while other stocks recorded rises of up to £30.

Trade balance

It was pointed out that restoration of the old trading relationships between Britain and Rhodesia could mean a significant improvement in the U.K. balance of payments. Last year, Sir Alec Douglas-Home put a rough value of some £40m. on the cost of sanctions to the balance. It was also pointed out, however, that a great deal would depend on the details of the settlement, and on how far the old pattern of trade would be resumed after a six-year gap. In particular, it has to be assumed that the following settlement of Rhodesian exports would continue to get Commonwealth preference in Britain.

Disbelief among Labour MPs

BY RICHARD EVANS, LOBBY CORRESPONDENT

SIR Alec Douglas-Home is certain to face hostility and disbelief from the Labour benches when he outlines the proposed agreement with Rhodesia to the Commons today.

Opposition leaders preferred to await his statement before committing themselves but there was scarcely a Labour MP to be found last night who was not already convinced that any settlement must entail a sell-out to Mr. Smith and the Rhodesian Front.

Most Conservative MPs were jubilant at the result and even the Tory Left, always sceptical about the chances of a successful agreement with Mr. Smith, believed that Sir Alec must have struck firmly within the framework of the five principles.

Debate

The political conflict today and next Wednesday, when the proposed agreement will be debated in more detail, is likely to be along strictly party lines to the intense relief of Ministers. Any unease about Tory ranks is unlikely to find much expression until the results of the tests of acceptability are known.

Sir Alec is expected to return to London very early this morning. After a rest, he will attend a meeting of the Cabinet in the late morning. In brief, his colleagues fully before he makes his detailed statement to the Commons. The Foreign and Commonwealth Office hopes to publish a White Paper on the proposed agreement in mid-afternoon, and more detailed background papers will be published to-morrow or early next week.

Because of the secrecy pact in Salisbury, no details of the agreement were available in London beyond an insistence by Ministers that it was within the five principles. Nevertheless, the Government accepts that there is certain to be great hostility to any settlement from some members of the UN and the Commonwealth.

Sanctions

Much emphasis is being placed on the importance of the test of acceptability by the whole Rhodesian people. This will probably take up to two months to complete by a judicial commission which will have to make a detailed assessment of the feelings of both Africans and Europeans about the agreement.

It is only if this process is completed successfully that the British Government will be able to go with Parliamentary approval to the UN to recommend the lifting of mandatory sanctions. Until then, all the present restrictions on Rhodesia will be maintained.

The domestic political battle is likely to continue throughout this period, particularly during the test of acceptability. Labour Party's National Executive showed its dismay by its decision yesterday to send a small group to Rhodesia to make its own assessment of African opinion.

The "shadow" Foreign Secretary, Mr. Denis Healey, will lead the deputation, and other members will be Miss Joan Lester, the Left-wing MP who has always shown a deep interest in Rhodesian affairs, Mr. Joe Ormley, the miners' leader who is chairman of Labour's Foreign Affairs Committee, and Mr. Tom McNally, head of the party's International Department.

In the meantime, the Opposition will pay particular attention to what Sir Alec has to say about the time-scale before African majority rule can be achieved and the future of discriminatory legislation. The vote also likely to demand a very lengthy time period of up to six months for the test of acceptability, and the release of the African political leaders now in detention.

Mr. Arthur Bottomley, Labour Commonwealth Secretary when

How prices rose

Southern Rhodesia			
2½%	'65-70	73	+ 25
3%	'71-73	67	+ 22
3½%	'61-65	75	+ 21
3½%	'67-69	74	+ 24
3½%	'80-83	55	+ 13
4%	'72-74	70	+ 20
4½%	'77-82	65	+ 27
5%	'75-80	65	+ 30
6%	'78-79	73	+ 23
6%	'78-81	75	+ 18
Industrials			
Cape Asbestos	167	+ 12	
Stocklake Hldgs	153	+ 8	
Turner & Newall	175	+ 9	
Minet Hldgs	350	+ 10	
Mines			
Coronation	55	+ 5	
Clohe & Phoenix	106	+ 20	

proportion of Rhodesia's tobacco exports of £47m. The cost to the U.K. tobacco industry of switching to alternative sources of supply was estimated in 1967 at some £161m.—of which £10m. was accounted for by Imperial Tobacco. With the final exhaustion of U.K. stocks of Rhodesian tobacco around the end of 1969, the U.K. manufacturers have now had to fill the gap completely from other sources.

Their success in finding other producers has probably reduced the real cost to them of the switch. And while it is thought likely that trade with Rhodesia, recognised as an efficient producer of high quality leaf, will be resumed on a substantial scale, it is uncertain how quickly this can be achieved. This will depend partly on arrangements made about Rhodesia's existing substantial tobacco stocks and on the alternative trading arrangements built up over the last six years.

Great benefit

Turner and Newall, the company with probably the highest individual interest in the situation, commented: "We welcome the prospect of being able to resume our normal relationship with our subsidiary companies in Rhodesia, and we are confident that this resumption will be greatly to the benefit of our companies in Rhodesia and elsewhere. The company promised further information for stockholders as soon as possible, but pointed out that after a complete separation of six years, it will take some time to recreate the intimate interworking which existed previously."

Earlier this year, the group's chairman, Mr. R. M. Bateman, pointed out that the company could not find sufficient alternative asbestos supplies of the right quality, and put the cost of the loss of contact with Rhodesia at well over £10m. up to the end of 1970, increasing by some £3m. a year.

In the car industry, the Society of Motor Manufacturers and Traders pointed out that it would take some effort to win back the Rhodesian market. In 1965, the motor industry's total exports to Rhodesia had been £9.5m., while British cars accounted for some 10,000 of the 15,000 foreign cars imported to Rhodesia from outside Africa, and 2,300 of the 5,400 imported commercial vehicles. "No opportunity will be missed to make sure that the Rhodesians are again given the opportunity to buy and drive British vehicles."

Lord Stokes pointed out that before 1965 the present British Leyland group had been successful in operating three plants in Rhodesia, and that the company would be able to make use of the Rhodesian market. "We hope that the new development will enable us to resume operations there as soon as possible."

Smith's Right wing certain to become more dominant

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

"SOONER or later Mr. Smith is going to have trouble with his Right-wing." This remark, or variations of it, has been a staple of Rhodesian political conversation before the settlement signed this morning, especially among people who consider themselves in the middle of the road, or to the left of the ruling Rhodesian front.

The argument may well be fallacious but now that a settlement has been achieved the potential as well as actual strength of the Right is obviously worth examining in some detail.

Even before this week's news it had become pretty obvious that the triumph of common sense and good will. A Conservative motion was tabled in the Commons last night congratulating Sir Alec on the success of the negotiations.

In contrast, Sir Alec was congratulated by the Monday Club of Right-wing Conservatives on the triumph of common sense and good will. A Conservative motion was tabled in the Commons last night congratulating Sir Alec on the success of the negotiations.

Intention

To most of those used to British politics, it may seem strange to talk of the Right wing of a party like the Rhodesian Front, all of whose members are, in British terms, well to the right of the Conservative Party. The division in the Front, however, comes over the party's principles—central to which is a specifically Rhodesian issue, land.

It should not be forgotten that a major reason for the formation and success of the Front 10 years ago was the intention of the then Prime Minister, Sir Edgar Whitehead, to repeal the Land Apportionment Act. To-day the central issue is that Act's much tougher successor, the Land Tenure Act. The main point at issue is whether the RF Right wing does not consider that the party has ever fully implemented its founding principles. The two key points are principle No. 7, which declares that the party will uphold the principle of the Land

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Sir Alec and Mr. Smith shake hands after the announcement in Salisbury

Vorster praises statesmanship

BY OUR OWN CORRESPONDENT

CAPE TOWN, Nov. 24.

THE settlement of the dispute play a most important role in Southern Africa, not only because of her commercial and industrial potential, but also because of her long record of stable and responsible administration.

"A prosperous Rhodesia restored to international respectability would be a big asset to South Africa, would help to secure her northern boundaries and improve the stability of the whole of southern Africa."

Here, Government and Opposition leaders hailed the announcement of a settlement as the start of a new era.

Sir de Villiers Graaf said: "This is good news for all friends of Rhodesia and also for all South Africans. With a satisfactory settlement, Rhodesia can

great detail about the proposals. A delegation spokesman said the Ambassador would "both inform and explain."

But Mr. Godher did say later that it would be a great help if UN personnel, in some form or another, could be placed on both sides of the border.

Heavy guns

But Mr. Godher did say later that it would be a great help if UN personnel, in some form or another, could be placed on both sides of the border.

Mr. Godher said there was no doubt that regular forces had been engaged. The Pakistanis on their side claim that their forces have been engaged against the Mukhti Bahini. Mrs. Gandhi said in the Indian Parliament today that some regular Indian forces have been engaged but supplied that this was to repulse Pakistani attacks across the border.

But the key question is that of leadership, for so far the major weakness of the Right-wing has been its failure to produce another Ian Smith. The Rhodesian Premier has enormous charisma with the white electorate, and it is often said, not only by his enemies but also by his friends, that he is now in a position to sell almost anything to his white voters.

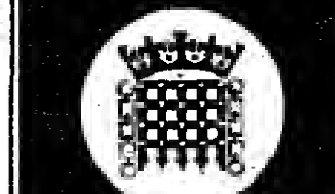
To the ordinary white Rhodesian voter he typifies what they consider best in their way of life. He is Rhodesian-born, he has a stake in the land, he has a good war record and a conventionally simple family life. He has few pretensions to great intellect or political subterfuge. In short, as one of his admirers said, he is the sort of man from whom you would buy a second-hand car.

This is a tough image to challenge, and most commentators here are nervous of tipping a possible successor from the Right wing. Most of them, or so Mr. Wickes de Kock was born in Rhodesia, has considerable farming interests, and is believed to have considerable popular appeal. But with Mr. Smith as entrenched as he is, Mr. de Kock, or any other potential challenger is more likely to aim for a Cabinet post from which he could steer Government policy.

Right-wingers rather than risk political oblivion by attempting a back-bench take-over. The Right wing is undoubtedly a pace-setter in Rhodesian politics to-day, nudging the party alone towards separate development. The achievement of a settlement does nothing to diminish the certainty that it will have an important impact on the country's future development.

The iron rule may prove to apply in the end, but Mr. Smith has too much going for him now to be threatened in the immediate future.

PARLIAMENT



Heath 'in touch over India-Pakistan'

THERE WAS still a great deal of uncertainty about the precise course of events in East Pakistan but it was clear that there had been military clashes on a growing scale in the last few days.

He told MPs there were no reports of injury to U.K. citizens or of damage to British property. The British High Commissioner in Islamabad was in touch with representatives of the British community in Pakistan and had advised those in the border areas to consider moving to areas of greater safety.

The Prime Minister had been throughout in continuing and close touch with the Pakistan President and India's Prime Minister. These contacts were continuing.

Britain was also in close touch with the U.S. and other Governments. The possibility of a Security Council meeting was "constantly in our minds."

Neither the Indian nor the Pakistan Government had yet been ready to call for a meeting. Advising against a public debate at this stage, Mr. Godher said it was far from certain that such a debate would now enhance the prospects of achieving a reduction of tension.

"The view of other governments, as well as ourselves, has so far been that better hopes lie in the continuation of the diplomatic exchanges in which we and they are engaged," he said.

Mr. Denis Healey, "shadow" Foreign Secretary, said: "There is a patent threat to peace in the subcontinent. It is urgent for the great powers to get together to create conditions for United Nations intervention."

Mr. Godher said: "The main point about discussion in the United Nations is that so long as the two major parties directly concerned are neither willing to initiate a debate it is difficult for others to do so."

But Mr. Godher did say later that it would be a great help if UN personnel, in some form or another, could be placed on both sides of the border.

Mr. Frederic Bennett (C. Torquay) asked if Mr. Godher still contended that only guerrillas were involved. "If so, can you tell me why these guerrillas have heavy guns, tanks and limpet bombers?"

Mr. Godher said there was no doubt that regular forces had been engaged. The Pakistanis on their side claim that their forces have been engaged against the Mukhti Bahini. Mrs. Gandhi said in the Indian Parliament today that some regular Indian forces have been engaged but supplied that this was to repulse Pakistani attacks across the border.

Heath 'in touch over India-Pakistan'

But the key question is that of leadership, for so far the major weakness of the Right-wing has been its failure to produce another Ian Smith. The Rhodesian Premier has enormous charisma with the white electorate, and it is often said, not only by his enemies but also by his friends, that he is now in a position to sell almost anything to his white voters.

To the ordinary white Rhodesian voter he typifies what they consider best in their way of life. He is Rhodesian-born, he has a stake in the land, he has a good war record and a conventionally simple family life. He has few pretensions to great intellect or political subterfuge. In short, as one of his admirers said, he is the sort of man from whom you would buy a second-hand car.

This is a tough image to challenge, and most commentators here are nervous of tipping a possible successor from the Right wing. Most of them, or so Mr. Wickes de Kock was born in Rhodesia, has considerable farming interests, and is believed to have considerable popular appeal. But with Mr. Smith as entrenched as he is, Mr. de Kock, or any other potential challenger is more likely to aim for a Cabinet post from which he could steer Government policy.

Right-wingers rather than risk political oblivion by attempting a back-bench take-over. The Right wing is undoubtedly a pace-setter in Rhodesian politics to-day, nudging the party alone towards separate development. The achievement of a settlement does nothing to diminish the certainty that it will have an important impact on the country's future development.

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Overseas bids for T. Cook 'not unwelcome'

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

OVERSEAS BIDS for a share in the sector who had bought up State assets.

By unloading Cook's on to the market, the Government was going to create an asset stripper's paradise, he said. A principal attraction for the potential purchasers was the amount of travellers' cheques and exchange business conducted by the company, which had a turnover last year of £280m. should it be sold back to private enterprise. The Minister also promised the House that any possible implications of the U.K. balance of payments would also be taken into account.

With the first step in the proposed sale to be taken about the middle of next month by the issue of a prospectus, Mr. Peyton assured MPs that the Transport Holding Bill, paying the way for the company's transfer from the public sector, was in the best interests of Cook's, its staff and its customers.

The Opposition dismissed the Government's arguments and reiterated the threat that Cook's would be returned to State hands when Labour next came to power. Mr. Tom Bradley, Opposition spokesman for the Transport Industries, condemned the Bill as a "piece of vindictive nonsense" intended to satisfy party zealots and the Government's business supporters.

Not only Cook's but all the other hived-off sections of public industry would be re-acquired by the next Labour Government, Mr. Bradley declared, and added that the re-acquisition would be handled in such a way that it would be a disadvantage to those in the private sector.

Yet the Government had refused to refer this "monstrous piece of price fixing" to the Monopolies Commission. Until the Government had come up with a better alternative, Mr. Bradley said, he would continue to oppose it as it was.

Signs of a rise in council building

SIGNS OF a rise in the volume of new council house starts are beginning to emerge following a year in which the poor performance of the public sector has had a dampening effect on the building industry.

Mr. Julian Amery, Minister for Housing and Construction, told the Commons that figures which are to be released next Monday will show a "welcome rise" in public sector building during October.

But he turned down strong Opposition demands for a crash building programme for council houses in order to cut down the high level of unemployment in the building trade.

Mr. Dennis Skinner (Lab. Bolton) asked Mr. Amery to give the latest figures for house building in the public sector and to state how they compared with 1970.

Mr. Amery replied that from January to September this year there had been 104,134 public sector starts and 118,210 completions compared with 117,897 starts and 131,634 completions in the same period last year.

Mr. Skinner told him that the figures were a "total disgrace" and looked very sad compared with the Government's promise to clear all the slums over a ten-year period.

Mr. Amery replied: "You should beware of over-stating your case. Figures to be published will show a welcome rise in public sector building." He added that this was a welcome sign, and said there had been uncertainty in the minds of many local authorities until the publication of the Housing Finance Bill.

Four Labour parties in more Ulster talks

LABOUR's national executive committee decided yesterday to set up machinery for regular meetings on Ulster with their colleagues in the Irish Labour Party, the Northern Ireland Labour Party and the Social Democratic and Labour Party.

This decision came after Mr. James Callaghan, "shadow" Home Secretary, and party treasurer, and Mr. Anthony Wedgwood Benn, the party chairman, had told the executive of their visit to Northern Ireland on November 11.

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Egypt gives war warning to Arab Chiefs of Staff

BY OUR OWN CORRESPONDENT

CAIRO, Nov. 24.

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CAIRO, Nov. 24. A Western European consortium will sign a agreement next week to construction of an oil pipeline from the Red Sea port of Alexandria, Al Ahram said today.

The consortium will supply \$80m. in currency and the balance for the pipeline will be met by the oil to the Suez Canal, since the 1967 war with

newspaper said Aziz Sidky, Premier and Minister of Oil, met two weeks ago a delegation from the consortium to discuss the agreement. A draft agreement would be given on Thursday and a final one to be signed today to sign it with local initiatives.

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uncil build

BAHRAIN, Nov. 24.

Political Resident Sir Arthur is due back here following quick visits to Jeddah, Dubai and Sharjah. Understood the visits are to discuss the formation of independence by the union of the six Trucial

he Bahrain pattern is followed by the declaration would be accompanied by the formal cancellation of the present treaties with the states. It is understood that the date is yet set by some between December 5 and 10. If the Federation is a membership application to be accepted by the UN General Assembly, the date is considered the possible date that the Federation's representatives should New York as the session on the 15th.

declaration, which is expected to be on the seventh or eighth day of the month, OPEC there on that day.

is considered that ideally form of agreement with the disputed island of Musa which Sharjah, one federating states claims to be reached prior to the nation's independence declaration.

ough of much geo-political importance to the whole area, of the disputed Tams is considered less of an impediment to federation building is the present owner, Ras al-Nahm, has elected to stay of the Federation.

oul limits
ports

Our Own Correspondent

SEOUL, Nov. 24.

SOUTH KOREAN Government has imposed import restrictions on 33 commodities in a bid to mend the country's balance of payments.

The move follows restrictions on 34 items announced last month.

The new import-restriction list includes non-essential items such as those substitutable by domestic products, such as grain, optical glasses, fork-

golf equipment, coffee, cheese, raw silk, some synthetic fibre yarns, and polyester film. Among the 34 restricted items are carbon black, cameras and gas meters.

As a result, 571 items by the Korea International Trade Commission are now under restrictions, 73 banned, 688 free.

South Korea's total imports last year amounted to \$1,808m., with a trade deficit of

Lower House of Parliament

ay ratified the controversial Japan Okinawa Agreement. Two of the four opposition parties—the Socialists and Communist Party—boycotted the session.

The agreement, signed by the nations last June, will return Okinawa and other islands of the mid-Pacific Ryukyus group to the United States by the end of the year.

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Two opposition parties, the Meito and Splitter Democratic Parties, agreed to attend the

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The U.S. is giving up 34 bases on reversion, but most are minor facilities. Major air bases—such as Kadena, from where bombing raids on Indo-China were once carried out—will remain, along with massive housing estates and logistics areas. This has caused considerable resentment among the almost 1m. Okinawans.

The agreement, already ratified by the U.S. Senate, now goes to the Upper House of the Japanese Parliament, where the LDP has only a very small majority. If the House fails to act on the measure, it will become law in 30 days.

The Socialists and Communists, by staying away from Parliament, were continuing a boycott sent. The ruling Liberal Democratic Party forced the agreement through a Parliamentary committee in a snap vote.

This action, and the continued presence of the U.S. military

WITH THE BREAKDOWN of from Major-General el Shazly on diplomatic efforts to get a peace settlement in the Middle East, the Arab States had no other way except the use of military force to end the Zionist danger.

Observers here feel that the military leaders are likely to make little progress towards achieving the co-ordination which was so palpably absent at the Foreign Ministers' conference earlier this month. In particular, the revival of the Jordanian front still depends on settlement of the Amman Government's conflict with the Palestinian Fedayin.

Meanwhile, Al Ahran reported today that Egypt had given the visiting organisation of African Unity peace mission its approval for international guarantees, the establishing of demilitarised zones and the stationing of national emergency forces in the zones, to carry out the Security Council resolution on the Middle East crisis.

Cairo is to give a formal, written answer to the six-point questionaire submitted by Presidents Leopold Senghor and Yakubu Gowon on Monday, confirming the points made verbally by President Anwar Sadat and Foreign Minister Mahmoud Riad.

The note will be taken by a special envoy to Dakar to await the return there from Israel of the OAU mission.

Egypt has asked that the ten heads-of-state committee, responsible for the OAU peace mission, draft its final report before the start of the Middle East debate in the UN General Assembly at the beginning of next month.

The African leaders left Cairo this morning for Tel Aviv.

Twelve Arab Chiefs of Staff attended the preparatory planning meeting this morning, the most notable absentees being Algeria and Tunisia. Oman, Qatar and Yemen have also not sent delegates but the Yemen has informed the Arab League that its Chief of Staff will arrive to-morrow. Meeting in closed session the officers heard a report

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INDO-PAKISTAN CONFLICT

Indian troops 'may cross border only in defence'

BY OUR OWN CORRESPONDENT

NEW DELHI, Nov. 24.

MRS. INDIRA GANDHI today told Parliament that India would not declare an emergency "unless further aggressive action by Pakistan compels us to do so in the interest of national security." In a statement, Mrs. Gandhi listed numerous attacks, intrusions and provocations by Pakistan and reiterated that Indian troops had been instructed not to cross the border except in self-defence. The Premier also said that in addition to three Pakistani aircraft shot down on Monday, 13 Chafee tanks had been destroyed near Boyra, five miles from the eastern border on Sunday as a result of "defensive action" by Indian troops.

Mrs. Gandhi referred to the impression of a change of stance by Pakistan created by President Yahya Khan's 10th anniversary message and hoped that the declaration of an emergency in Pakistan was not a device "to get out of the

compulsions of seeking a political solution." Mrs. Gandhi said that a declaration of emergency by India was more rewarding than that of military regime, which had been waging war on the people of Bangladesh for the last eight months and has been threatening us with total war for the last three to four months, has no meaning except to deceive his own people and the world at large.

Their successes since the recession of the monsoon had apparently upset the plans of the military regime. Counselling the country to remain untroubled and promising adequate rebuf in the event of "adventurism" by the Pakistani military regime, fact, it was Pakistan which had launched a "hate India" of Pakistan surely realise that campaign.

the path of peace—of peaceful negotiation and reconciliation—war and the suppression of liberty and democracy." Mrs. Gandhi also spoke of the "intolerable burden of looking after nearly 10m. terror-stricken men, women and children who have fled from Pakistani oppression" and expressed India's determination to let the refugees return to their homes "under a credible guarantee of safety and human dignity." Referring to the numerous protests against Pakistani intrusions and provocations she said these had had no effect. Instead, Pakistani propaganda had been putting out the story that India was engaged in undeclared war and had mounted massive attacks with tanks and troops. "This is wholly untrue," she added; in the Pakistani military regime, fact, it was Pakistan which had launched a "hate India" of Pakistan surely realise that campaign.

Indian seamen refuse to sail to East Pakistan

BY KEVIN RAFFERTY

CALCUTTA, Nov. 24.

Indian seamen have struck a serious blow against Pakistan's attempts to pull together the disrupted and shaky East Pakistan economy. The Indian Seamen's Union has notified shipowners that its members are "reluctant" to sail to East Pakistan, but I understand that this can be taken as a firm refusal to go there.

On previous occasions recently agents for shipowners have had to persuade seamen carefully before the men would sail in the face of dangers from guerrilla activity in the Bay of Bengal. The shelling of the British ship City of St. Albans two weeks ago has convinced them that it is too dangerous to go to East Pakistan.

The Seamen's Union's decision will particularly affect British lines which carry much of the jute exports from East Pakistan. Even if they decide to continue to sail to and from the East, the Seamen's Union has notified shipowners that its members are "reluctant" to sail to East Pakistan, but I understand that this can be taken as a firm refusal to go there.

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Since the 1965 war, Indian sailors docking in Pakistani ports and Pakistanis in Indian ports have been refused shore leave but the arrangement has worked smoothly. It would probably be too difficult to find crews from other nations and would in any case be probably too expensive.

The British companies are already worried about dangers to shipping in the Bay of Bengal. Lloyd's recently doubled the insurance premiums for ships sailing to East Pakistan and I understand that after the St. Albans incident there have been discussions in London among members of the Indian shipping conference about whether it is worth keeping the East Pakistan service going.

China reaffirms its support for Pakistan

BY OUR OWN CORRESPONDENT

KARACHI, Nov. 24.

THE LEADER of the 12-member high-level Chinese delegation, Li Shui-chin, reiterated in Karachi this morning his country's support for Pakistan and said the East Pakistan question was an internal affair in which no country had any right to interfere. The Chinese delegation arrived here on its way to Tashkent to attend the ceremony to-morrow at which the Chinese aided Rs 161m. heavy mechanical complex is to be inaugurated by President Yahya Khan. Li Shui-chin, who is Minister for the Ministry of Machine Building, said the Government of the People's Republic of China had always maintained in East Pakistan was Pakistan's own affair in which no one had any business to interfere. Meanwhile Pakistan's Foreign Secretary Sultan Mohammad Khan said in Karachi this morning that a proposal was under active consideration by government to take up the question of alleged Indian aggression in East Pakistan in the UN and call for appropriate action. Mr. Khan, who has returned from an extensive tour that took him to the U.S. and several European capitals, told newsmen that proposals regarding the disengagement of forces on Indo-Pakistan borders, reduction of tension in the sub-continent and the return of East Pakistani displaced persons have been very well received abroad. He said he had noted a growing understanding of Pakistan's viewpoint in world capitals. The Foreign Secretary said he was presenting a detailed report to President Yahya Khan in Rawalpindi this morning to appraise him of the situation in East Pakistan.

Pakistan recalls soldiers on leave, reservists

RAWALPINDI, Nov. 24.

THE COMMANDER-IN-CHIEF of the Pakistan army to-day ordered reservists and soldiers on leave to report for duty immediately as a possibility was the re-imposition of Press censorship. Earlier to-day, within hours of reporting that Indian forces have opened a new front in the East, the Pakistan said to-day that Indian pressure was mounting.

Radio Pakistan said Pakistani troops had counterattacked in the Sylhet sector of North-east India was waging an "undeclared war" aimed at securing a base in East Pakistan for the self-styled Government of the Bangladesh movement.

The announcement of the state of emergency gave no hint of what powers President Yahya Khan would take to make it effective. But observers noted that Pakistan was already under martial law and the only additional power a Government spokesman mentioned yesterday as a possibility was the re-imposition of Press censorship.

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Barclays and your business.

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S. Vietnam gives details of Cambodia offensive

SAIGON, Nov. 24.

ABOUT 45,000 South Vietnamese troops are involved in a giant dry-season sweep of Communist sanctuaries in neighbouring Cambodia, government military sources revealed today. The disclosure came as the Saigon command took official wraps off its new drive along and across the Cambodian border and also reported the first casualties inflicted on Communist forces.

The command spokesman, Colonel Le Trung Hien, said the operation involved two or more divisions, each numbering more than 10,000 men. The military sources added that there was a real possibility some South Vietnamese troops might be sent to help Cambodian soldiers defend

their capital of Phnom Penh, which is reported to be facing new Communist attacks on its outskirts.

But the sources added that there are deep political problems involved in sending Saigon troops to Phnom Penh. Relations between the two armies have never been cordial and objections have been raised in both countries to such a move.

The South Vietnamese command will adjust its attack largely depending on Communist response, military sources said, as the Saigon forces try to separate the Communist troops in the centre of Cambodia from their sources of supply and arms coming from the northeast.

Reuter

Tokyo ratifies Okinawa Pact

TOKYO, Nov. 24.

Lower House of Parliament ratified the controversial Japan Okinawa Agreement. Two of the four opposition parties—the Socialists and Communist Party—boycotted the session.

The agreement, signed by the nations last June, will return Okinawa and other islands of the mid-Pacific Ryukyus group to the United States by the end of the year.

Okunawa was captured by the U.S. in the Second World War and has been administered by the U.S. It has become a key military station in the Pacific, and even after reversion to Japanese control the island will still have 88 U.S. military

There had been little doubt the Lower House would approve the agreement—even if all the opposition parties had been sent. The ruling Liberal Democratic Party has 301 seats in the 481-member house.

Two opposition parties, the Meito and Splitter Democratic Parties, agreed to attend the

session after inclusion of two riders to the agreement demanding Okinawa be free of the U.S. nuclear weapons and that the American military facilities be reduced.

The U.S. is giving up 34 bases on reversion, but most are minor facilities. Major air bases—such as Kadena, from where bombing raids on Indo-China were once carried out—will remain, along with massive housing estates and logistics areas. This has caused considerable resentment among the almost 1m. Okinawans.

The agreement, already ratified by the U.S. Senate, now goes to the Upper House of the Japanese Parliament, where the LDP has only a very small majority. If the House fails to act on the measure, it will become law in 30 days.

The Socialists and Communists, by staying away from Parliament, were continuing a boycott sent. The ruling Liberal Democratic Party forced the agreement through a Parliamentary committee in a snap vote.

This action, and the continued presence of the U.S. military

bases on Okinawa, has prompted daily street demonstrations in Tokyo with more than 2,000 protesters arrested and two people killed, including a policeman burnt to death by petrol bombs.

More demonstrations were planned later to-day, mostly peaceful protests by the Socialists and Communists.

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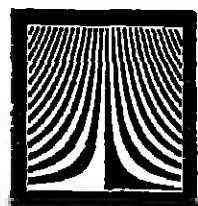
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The U.S. is giving up



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● POLLUTION

Looking for carbon monoxide

SCIENTISTS at General Electric Company of the U.S.A.'s Space Division at Valley Forge, Pa., are conducting an experiment to determine whether the carbon monoxide gas introduced into the earth's atmosphere each year.

Through this carbon monoxide pollution experiment (COPE), they hope to explain the natural depletion mechanism, a chemical or biological "sink" which absorbs the poisonous gas or converts it into another compound.

The COPE project stems from an advanced applications flight experiment contract from the National Aeronautics and Space Administration's Langley Research Centre, Hampton, Va. (U.S.A.) is the primary COPE contractor and equipment is produced for the company by Barringer Research, Toronto.

A prototype of the COPE equipment has been assembled in the GE (U.S.A.) Space Sciences Laboratory. After extensive prototype testing, two engineering evaluation models will be constructed for balloon

and aircraft testing in mid-1972. depletion of carbon monoxide concentrations. Some feel that it is slated for installation in an earth-orbiting satellite as a biological sink. In addition, many living plants are believed to retain CO in varying amounts.

Other scientists believe that carbon monoxide is depleted in chemical sinks through reaction with atmospheric materials. As an example, high-altitude ultraviolet radiation from the sun produces excited oxygen atoms which react with water vapour to form hydroxyl radicals (OH). These in turn react with CO to form the dioxide.

The COPE programme has three major objectives: to learn how the carbon monoxide sink functions (this capacity may not be unlimited); to locate, measure and map global CO concentrations; and to learn about atmospheric movements from CO dispersion in the atmosphere.

COPE could be the forerunner of future systems to measure and map concentrations of sulphur dioxide, nitric oxide and other harmful atmospheric pollutants.

● RESEARCH

Simulation equipment on show

AMERICAN equipment designed to test products under accurately simulated operating conditions is to be shown at the United States Trade Centre, 57 St. James's Street, London, SW1, from December 6-10.

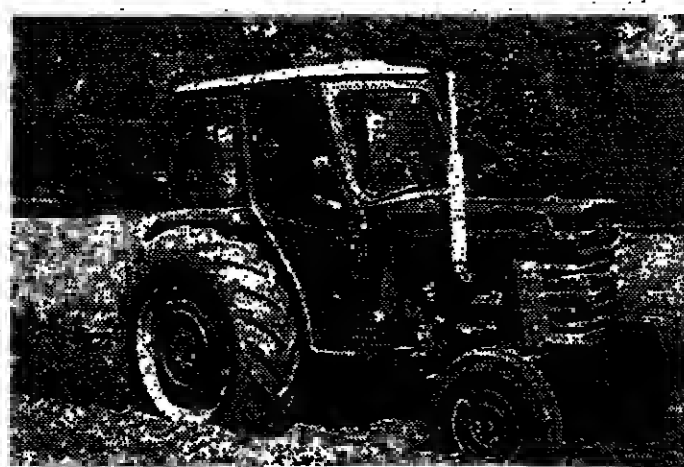
Although several pieces of equipment to be exhibited are designed primarily for use in research laboratories and universities, the bulk of the products to be presented by some 25 U.S. companies have been developed for industrial applications in electronics, aviation, shipbuilding, car making, packaging and even the furniture trade.

Among the products to be exhibited will be completely self-contained environmental test chambers which provide a means of carrying out various temperature and temperature/humidity tests, semi-conductor strain gauges and accelerometers, shock test machines, vibration control systems and frequency response analysers which measure directly the amplitude and phase response of any physical system even in the presence of noise.

Peripheral equipment for the control and measurement of test results will include a broad selection of high-performance, direct-writing recording instruments whose precision servo penmotors provide 99 1/2 per cent linearity and a true rectilinear trace.

Several exhibitors will be seeking representation in the U.K. and Europe for the first time. Admission will be by ticket only, obtainable from The Director, U.S. Trade Centre, 57 St. James's Street, London, SW1.

● AGRICULTURE



The 75 hp MF188 ploughing. This tractor is six inches longer than the standard version providing a roomier cab and ease of access—the rigid cladding is an optional extra.

Choice for ploughs

FARMERS and horticulturists looking for a new tractor will be almost "lost for choice" with the number of new tractors being introduced in time for the Royal Smithfield Show in December.

After spending \$4m on what is stated to be the largest tractor factory in the Western world, Massey-Ferguson (United Kingdom), of Banner Lane, Coventry CV4 9GF, has progressively introduced six new models since July.

The factory already produces 2,500 built-in variations on the various tractors made at Banner Lane. The six new tractors provide a h.p. range of 47, 49, 62, 69, and two of 75 h.p., the 185 and the 188. Three of the tractors (one in each h.p. group) are six inches longer than their stable mates, permitting more comfortable cabs with easier access. The longer tractors also handle heavy mounted implements more easily, and make more effective use of front ballast weights.

The idea is that in each of the popular h.p. groups farmers will be able to choose from a low specification tractor which can then be tailored to handle a variety of jobs at a low cost, or a "super" specification tractor which produces high output on any job on the farm. The tractors are all powered by Perkins diesels—price range is MF135, six speed 47 h.p., £1,435, to MF188, 12 speed plus power take-off, £2,258.

The latest addition to the Leyland tractor range is the 253, a 47 h.p. model. It is stated to provide high performance capable of a wide variety of farm work from heavy ploughing to light towing. The new hydraulic system giving automatic position and draught control is fitted. A ten-speed transmission includes a fully independent power take-off through an 11-inch clutch.

The company's 25 h.p. 154 model has been modified by reducing its overall width from 1.5 to 1.16 metres. The narrow version has been designed for operation in vineyards and orchards, for spraying in glass-houses, cleaning intensive livestock units, and for other restricted areas.

Because the narrow 154 can



The 47 bhp model 253 pulling a disc harrow. Fitted with a safety cab and newly designed independent hydraulics, this tractor has 10-speed transmission with independent power take-off.

Keeps the apples sweet

REPORTS from the Agricultural Research Council report show that storage of Cox's Orange Pippin apples in an atmosphere containing less than 1 per cent carbon dioxide with 2.5 per cent oxygen and 96.5 per cent nitrogen is effective in delaying the development of core, flesh damage to the fruit.

A complete packaged instrumentation system to monitor dioxide and oxygen concentrations to the requisite high accuracy is being made by GEC-Elliott Process Instruments.

It has been designed specifically for the low concentrations recommended by the ARC for refrigerated fruit storage. The system incorporates an infra-red CO₂ analyser of 0.2 per cent accuracy, a paramagnetic analyser of 0.1 per cent accuracy, a long scale electrical temperature indicator using platinum resistance thermometer elements and multiway switches to select different storage chambers for gas sampling and temperature read-out.

In addition to the standard system, modified versions are available with extra facilities such as automatic scrubbing a ventilation chart recorder, automatic sampling at intervals, alarms, and data logging and transmission.

● METALWORKING

Repairing damaged sheet

A COMBINATION of embossing and grinding is said to repair damaged ferrous or non-ferrous sheets quickly and cheaply. Average loss of material in steel is said to average only 1 in per ton.

Damage or defects in the sheets can be due to gouges, deep pits or scratches, scale holes or rolled-in scale. When damage is found, the sheet goes into a press where selective dies push up the damaged area so it is about 0.001 inch above the surrounding surface. Light grinding then cuts the raised area to surface level.

The process repairs only one side of the sheet, leaving a depression in the other, says Lake Ann Industries of 18,146, Wroming Ave., Detroit, Mich., U.S. but it does reclaim material which would have been scrapped into useable sheet in a matter of seconds. It will handle sheet from 0.035 to 0.25 inches thick.

Measuring ferrous quality

A FERROUS segregator has been developed to measure rapidly and accurately the quality of ferromagnetic materials and components. The segregator is for testing billets, bar stock, wire, forgings and castings and also for testing finished components being brought on line. Material composition, heat treatment condition, case depth, dimensions and hardness.

The equipment can be hand operated, or in conjunction with a three-way sorting conveyor as an automatic system testing areas.

● COMMUNICATION

Intercom for many stations

INSTANT push-button dialling with no waiting for dialling tones, on up to 25 stations, are the features of a new Italian intercom system called Sprint TST now being marketed by Black Street Recorders, of Sekford Street, London, EC1.

The company states that unlike many other intercoms where the complete system becomes engaged when only one conversation is taking place, Sprint TST allows as many conversations as there are pairs of instruments. There are also built-in conference facilities.

The units are attractively styled and can either be free-standing or wall mounted. They are powered by continuous duty rated power units and have self-cleaning contacts to ensure trouble-free operation.

● DATA PROCESSING

Bank orders Burroughs' new machine

COINCIDENT with the launch in the U.K. of their B4700 medium-range computer, Burroughs Machines announced yesterday that it had taken an order for the system from the Yorkshire Bank worth £350,000. The bank will take delivery of the B4700 next February and will work it back-to-back with its existing B3500 installation. The effective addition of 150,000 bytes of core memory will greatly increase the bank's data communication capabilities, which is important since six branches per month are being brought on line using "intelligent" terminals.

Burroughs describes the B4700 as evolutionary rather than revolutionary and states that the system draws its origins from the "700" family introduced a year ago and which has extensive multi-programming capabilities and shared disc facilities.

The B4700 system may have up to four CPUs, each with from 100k to 500k bytes of core memory and from eight to 10 input/output channels. A maximum configuration could therefore offer two million bytes of main memory with access through 80 i/o channels. The main memory cycle time is 500 nanoseconds per two byte word, and the memory can be expanded in increments of 50k bytes.

A fully compatible disc pack system has also been announced. Each disc cabinet consists of two independent drives each of which can store either 60.5 or 121 million bytes of data. A maximum disc subsystem with eight dual-

● HANDLING

Robot has sense of touch

AN INDUSTRIAL robot with a sense of touch is being developed by Hitachi, using basic technology developing by the electro-technical laboratory of Japan's Ministry of International Trade

and Industry and the University of Tokyo. Hitachi says the new robot can feel for scattered objects, recognise an object's form and position so that it can be held firmly, change the position of an object to make further manoeuvring simple, select the best methods of positioning an object in a container, and press an object against the inner wall of a container or against other objects for tight packaging.

The prototype was built by Hitachi, using basic technology developing by the electro-technical laboratory of Japan's Ministry of International Trade

for emptying slurry lagoons and pits. The system was designed and developed by a Surrey dairy farmer.

Basically, the system, which works on the dragline principle, comprises a bottomless sledge, which is drawn across the lagoon by cable wire to collect the slurry, and a small gantry which supports a large-capacity tipper box for emptying material into a muck spreader. A small farm tractor with cable drums fitted to its rear wheels is used to power the unit.

The 4 feet 3 inch by 4 feet sledge is constructed from mild steel plate and is bottomless except for about a quarter of its length, where a mild steel plate acts to strengthen the unit and help keep the slurry in while it is being drawn across the lagoon.

Several exhibitors will be seeking representation in the U.K. and Europe for the first time. Admission will be by ticket only, obtainable from The Director, U.S. Trade Centre, 57 St. James's Street, London, SW1.

Peripheral equipment for the control and measurement of test results will include a broad selection of high-performance, direct-writing recording instruments whose precision servo penmotors provide 99 1/2 per cent linearity and a true rectilinear trace.

● ELECTRONICS

Automatic testing

UP TO 10,000 zener diodes, rectifiers, thyristors or triacs per hour can be tested and sorted

These securities having been sold, this announcement appears as a matter of record only.

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November 25, 1971.

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Th "B."

Now there's a 747 good enough for Qantas.

Starting Friday November 26, the Qantas 747B will be flying twice a week from London to Sydney. Departures from Heathrow at 5.30 pm every Friday and Sunday.

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The 747B is a 747 with all the advantages of hindsight. More powerful. Roomier. More comfortable. Good enough, in fact, for the airline that was flying long-distance before most of the others had bought their first bi-plane.

The Qantas 747B has space. It could take 490 passengers—we've installed seats for 356. Leaving you 134 seats-worth of extra leg-room. It has the Captain Cook lounge—largest 747 lounge in the world.

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So we were prepared to wait until there was a 747 that came up to our standards.

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We took the time and got a better plane.

100 jobs to go in big BSC reorganisation

BY DAVID WALKER

ABOUT 100 jobs will be lost under plans for a major reorganisation of the British Steel Corporation, the company's commercial and engineering divisions announced yesterday.

In all, the moves affect 300 employees in Glasgow, 400 in Birmingham, 100 at Halesowen, Walsley, and 60 at Wednesbury, Staffs. Around 460 of those, however, will be offered jobs elsewhere.

At Glasgow and Birmingham, the division's existing home and export sales departments are to be merged and centralised at the divisional headquarters at Corby, where an additional 300 jobs will be created. A total of 100 Birmingham employees will be involved in that move, along with 300 of the 400 staff the division has at Glasgow.

Staff moves

Pipeline engineering at Coom's Wood Works, Halesowen, and Globe Works, Wednesbury, is at the same time to be transferred to Great Bridge Works, Tipton. Staffs. Defects, commercial and other functions at Birmingham associated with the pipeline engineering department will also move to Tipton, Staffs. The overall result will be an end to Tube's division activities at BSC's Lloyd House offices in the city.

CBI to wait and see on need for more reflation

BY DAVID WALKER

CONFEDERATION of British Industry pressure for further Government reflationary measures is likely to be delayed as the CBI waits to see the effect of the new monetary policy on the economy, Sir John Partridge, president of the CBI, said yesterday.

Nonetheless, he told the annual luncheon of the Confederation's northern regional council in Newcastle-upon-Tyne, it would be wrong to call for such action now. Delivering a speech obviously largely prepared before Mr. Anthony Barber's announcement in the Commons on Tuesday of a speed-up in spending by the nationalised industries, Sir John declared that "the intent of a more vigorously expanding economy" had been established. The Chancellor's announcement "makes good reading," he commented.

Better chance

"On inflation, I think we have a better chance of pulling it back now than at any time since the lid was blown during the last year of the Labour Government."

"While we are clearly going to have some difficult months to get through, I believe that the economy as a whole may well be set on a healthier course than we yet perceive, and that 1972 will see the oncoming of that industrial recovery for which we have waited so long," he affirmed.

The full effect of recent reflationary moves by the Chancellor had yet to be seen. They should

Wine sales in U.K. 'will double in next 10 years'

BY KENNETH GOODING

WINE SALES in the U.K. will double in the next 10 years, says Charles Whitfield, chairman of the Wine Development Board, forecast yesterday.

And consumption this year is expected to be more than 320m. bottles, around 60m. bottles more than in 1970 and well above the 300m. forecast by the board last summer.

Mr. Whitfield said the trends were encouraging as wine drinking was becoming more common at all social levels and in the North and West of England, where consumption was well below that of London and the South. It was gradually catching up.

Ford sells 250,000 Cortinas in a year

BY DAVID WALKER

FORD MOTOR has sold nearly 250,000 Cortinas since the latest version was introduced on the home market in autumn last year. Mr. William Batty, managing director, disclosed yesterday.

The news came in a letter to dealers thanking them for their part in making the Cortina Britain's top-selling car in October. As disclosed in the Financial Times on Tuesday, the model took almost 11 per cent. of the market, pushing British Leyland's 1100-1300 range into second place with just over 9 per cent.

Escort success

The Ford Escort was in third place with 8.5 per cent., ahead of both the BL Mini and Marina. "If we had been able to fill the orders available for the Cortina this year, it would have broken every sales record in the book," Mr. Batty declared.

"When our stocks are as fully restored as we would wish, we expect the Cortina's market share to go even higher," he said. The October result confirmed the company's belief that the present Cortina would turn out to be the most popular car it had made.

Ford's overall 23.2 per cent. share of the market in October was the best for 12 months, while the number of cars sold was an October record.

GO-AHEAD FOR £75,000 GUERNSEY YACHT MARINA

GUERNSEY's Parliament yesterday decided to go ahead with a £75,000 scheme that would create a 233-yacht marina in St. Peter Port harbour. The only other marina in the island—which has over 400 visiting yachts a year—is privately owned.

The Parliament threw out a proposed new Drains Tax on 7,000 households connected to main drains, but approved a 25 per cent. increase in water rates as from Boxing Day.

workers being paid off in September.

Beardmore's is part of the Sheffield-based Thomas Firth and John Brown Group. It employs about 1,200 workers.

25 dismissed

Outside the city, M. and C. Switchgear, an Anderson Major subsidiary, announced the dismissal of 25 workers at its Kirkcaldy factory. It was only this week that Archibald Low, an engineering company, announced the closure of its factory in the town, with a loss of jobs to 150 employees.

In Felixstowe, about 30 employees at Sangamo Weston's plant have been warned that they will be made redundant by the end of the year. An official notice posted in the factory, which employs 513 people, said: "Due to the national economic situation we are not receiving orders as forecast in our forward budget."

"Unfortunately, it is therefore necessary to make reductions in staff," the notice said. "The situation is such that we are not receiving orders as forecast in our forward budget."

Further redundancies in Glasgow—110 workers—were announced by William Beardmore, steelmakers. The machine shop is principally affected and, according to the company, the redundancies follow "a recession in demand and are an inevitable consequence of 150 production

The concern specialises in electric meters and switch gear.

grew to discuss the unemployment situation.

New solutions were needed for the new problems, he told the Institution of Production Engineers' annual dinner. "How does the more efficient, more cost-conscious Britain that we are slowly creating provide additional jobs for those who are thrown out of employment?"

Mr. Long said that the industrial relations Act in solving many problems. The majority of managers and men were bored to tears by it; very few would read its 157 pages of complicated jargon, and they did not want to see it elevated to become a continuing focus for argument and political strife.

Labour relations

British industrial relations were one of the most misunderstood elements of our national life abroad and one of the most misrepresented in the Press of almost every country in which we hoped to sell British goods.

That was a hard fact which would do a great deal of damage to our industrial reputation if the conflict continued now that the Act was law.

If we are to make our presence felt in Europe, we cannot afford to let our hands be engaged in industrial strife which will be seen to have no relevance at all by our European friends to the problems which an enlarged Community will face," he declared.

Mr. Whitfield said: "Even so, we have a long way to go to cater for our European neighbours. Our overall consumption works out at a mere five bottles per head of population compared with 151 for France, 150 for Germany, 105 for Portugal and 22 for Germany."

Mr. Whitfield was talking at a Press conference to launch the board's Christmas promotional drive. The board is operating a £250,000 grant, half contributed by the U.K. wine trade and the rest by most overseas wine-producing countries.

So successful have been the board's efforts, he maintained, that it would in the new year move to bigger premises so that staff would be enlarged to cope with the demand for information and pamphlets on wine which the board gives free.

Mr. Whitfield said the trends were encouraging as wine drinking was becoming more common at all social levels and in the North and West of England, where consumption was well below that of London and the South. It was gradually catching up.

New PVC plant for BP Chemicals

By John Trafford

THE FIRST plant to be commissioned at BP Chemicals' petrochemical expansion at Baglan Bay, South Wales, is expected to be fully operational by the end of the year, about six months behind the original schedule.

The plant, which has a capacity to make 35,000 tons a year of PVC plastics, was handed over by the contractors, Woodall-Duckham, in mid-August, but teething troubles, mainly concerned with mechanical problems in the auto-claves, have held back full capacity operation. Modifications are now being made to correct the trouble.

Vinyl chloride feedstock is at present being imported for the plant, however, BP Chemicals hopes to have its own vinyl chloride plant in operation at Baglan Bay as well as a plant to make styrene monomer, an intermediate for another family of plastics.

A second PVC plant of 45,000 tons is being built at Baglan Bay. When completed the company's total capacity will be 200,000 tons a year.

GATT in moves for new round of freer trade talks

BY OUR OWN CORRESPONDENT

GENEVA, Nov. 24.

MOVES to break the present deadlock and start a new round of trade liberalisation negotiations were made to-day by both the GATT Secretariat and several Trade Ministers attending the present session of the contracting parties.

There was considerable support for the Swedish proposal, introduced by the GATT Director-General, Mr. Olivier Long, for the establishment of a working party to examine existing and proposed preferential and special trade arrangements under GATT, but a number of countries, particularly Australia, stressed in particular the need for progress on agricultural trade.

Major statement

A new round of multilateral trade negotiations was held to be a "one of the darkest spots on the international trade scene."

Mr. Toshio Kimura, in order to correct "various distortions" in world trade, and to ensure its development.

Noting that protectionist tendencies are emerging in a number of countries, and will undoubtedly spread over the world, unless short-term as well as long-term measures are taken by GATT to counteract such tendencies effectively, Mr. Kimura called on the contracting parties to reach a consensus at this session, "that global trade liberalisation should be as soon as contracting parties become prepared."

But he stressed that, failing this, it was up to each country to ensure its trade on an individual basis.

Much the same line was adopted by Mr. Long in what a GATT spokesman qualified as a major statement.

Warning that "it would be an illusion to believe that one, two or several countries would emerge with a minimum of damage if trade relations were to deteriorate severely," Mr. Long said there was an immediate need to improve the present climate of international trade.

Valid effort

"The most urgent task," he said, "is to seek the elimination or neutralisation of the most dangerous irritative trade restrictive measures. This is indispensable in order to create a better atmosphere and to avoid the very serious risks that would result from a more pronounced deterioration of the climate of international trade."

The GATT Director-General followed this up with a suggestion that a statement of trade policy should be adopted at this session designed to clear the way for a more positive attitude and give confidence to the trading world.

Caribbean flying casino planned by air group

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

GAMBLING, with roulette and blackjack, aboard a luxuriously equipped airliner on Caribbean "air cruises," is planned by T. D. "Mike" Keegan, chairman and chief executive of Transair, the Air Group, which has recently acquired British Air Ferries from the Air Holdings Group.

Announcing some of his plans for the new Transair group yesterday, Mr. Keegan said his aim is "unashamedly to put the fun back in flying."

The group will continue all its current passenger and world-wide cargo operations, will include scheduled services with passengers and cars between Southend and Ostend, Rotterdam and Le Touquet, and its rail-air services to Paris, Amsterdam and Brussels. Next spring a new service to Basle, with Zurich and Geneva connections, will be introduced.

The group operates nine CL-44 and five Carair aircraft—all combined passenger-cargo-carrying aircraft. It employs 400.

Motor finance company refused Lords appeal

THE House of Lords Appeal Committee yesterday refused a finance company leave to appeal against a decision of the High Court, which said it was causing concern to hire-purchase finance companies which do business with motor traders.

Commercial Credit and Discount Company (formerly Worcester Works Finance), of Holloway Road, London, N. had sought appeal against the High Court decision on July 22 of dismissing its appeal against the rejection by Judge Herbert at Westminster County Court of its claim for £314,000 balance of instalments due under a hire-purchase agreement—damages for conversion against Cooden Engineering Co. Ltd. of Durham.

Some Scottish and Newcastle Breweries prices up next week

BY KENNETH GOODING

THE price of some beers in Scotland and Newcastle Breweries outlets in the North East of England are to go up next Wednesday because of the "general rise in costs and overheads," the company announced yesterday.

About 800 of the S. and N. outlets, which total 1,800 in the North East, Durham and parts of North Yorkshire, are affected.

The effect at retail level in S. and N.'s managed outlets, such as Blue Star keg to go up 1p a pint, and other keg beers go up 1p a pint

UNIT-LINKED INVESTMENT

'Becoming too complicated for man in the street'

FINANCIAL TIMES REPORTER

UNIT TRUSTS were now capturing an increasing share of the investment market, Sir Harry Page, chairman of the Chancellor of the Exchequer's committee for the review of National Savings, said in London yesterday.

Opening a two-day conference organised by the Financial Times and Investors Chronicle on Unit-Linked Investment and the Public, he said unit trusts for the small investor were very satisfactory and would grow in strength but they were becoming too complicated for the man in the street.

Early buying by the small man was pushing the price of equities, and pushing around money which was not directly contributing to the development of industry and the welfare of the economy.

20% redemption

Mr. David Maitland, managing director of the Sive and Phipps group, said that it seemed about 50 per cent. of unit holders in the industry at the beginning of 1969 still retained their holdings. With the building societies, it seemed there was a complete turnover of funds every four or five years.

In 1970 withdrawals were some £1,387,000 on average funds of £2,357,000, or just under 30 per cent.

In that year the unit industry's redemption rate was 53 per cent. It seemed therefore, that to assume the public appetite for unit trust investment was a long-term proposition.

Over the years they had had to contend with taxation and tax changes. Currently, the battle was on to abate the burden of tax on capital gains on underlying security transactions. The Government promised to review this in the Budget, and believed it had a good case for exemption, a case confirmed by the Select Committee's report on corporation tax.

The tax on capital gains was also relevant on the international scene. It was the largest barrier preventing Europeans and others from buying unit trusts, proposed EEC entry made it timely to remove this barrier to international sales.

The industry in the U.K. was, at this stage, ahead of world competitors. It had pioneered the "insurance-link" of the last decade and avoided the legal tangles of U.S. firms. It had not caught up with the short-term "booms" which hurt the business in Japan and South Africa, nor become as dull or inbred as the orthodox industries in Germany, Switzerland and Austria.

More "education"

Mr. Harry's statement that the business was complicated, Mr. Maitland said it was no more so for the public than any other aspect of the financial world, but more "education," down to grass roots level would help.

The solicitor's viewpoint was given by Mr. C. J. Messer, deputy managing director of the Sive and Phipps. He stated that the solicitor should recommend his

Call to vary recognition basis in State pensions

BY MICHAEL BLANDEN

DOUBTS about the basis of the new State reserve pension scheme and its relationship with private schemes are expressed in the Metropolitan Pensions Association's monthly review. Discussing the proposals recently set out by the Government, the MPA argues that the "recognition" requirements for the recognition of occupational schemes should be allowed.

It is pointed out that, as other comments have already been made on the money purchase basis of the proposed reserve pensions scheme means that the scheme is much more favourable to younger members than occupational schemes providing benefits little more than the 1 per cent. of reckonable earnings required for recognition. There could be pressure from younger employees to opt out in favour of the reserve scheme where they could get better benefits. This in turn could prevent employers from setting up their own schemes.

Encouragement

MPA therefore suggests that an alternative arrangement, allowing recognition requirements established on a money basis—say for schemes reaching a total of 5 per cent. of reckonable earnings—could go further than the White Paper in encouraging younger members to opt out of occupational schemes.

The MPA also points out the small benefits, in many cases "pennies," which will be provided by the reserve scheme. Because of its money purchase basis, the scheme has a 44-year vesting period for the maximum benefit. These pension levels

were more attractive purchases when there was more to go for in the market.

Accountant's view

The accountant's view was by Mr. A. P. W. Simon, Tax Trust Managers, who said unit trusts imposed on a practice four ways—from the point of view of their trust department, investment of individual funds, for tax planning and pension funds.

There were few tax planning schemes, he said, where trusts and unit-linked assets could not provide a useful investment. Investment schemes and various tax settlements, including tax planning, aspects of tax planning where unit trusts played a part involved life assurance schemes.

Generally, most unit trust groups had very efficient tax planning departments willing to prepare schemes to help the busy practitioner.

Regarding pension fund investment, many unit trust groups had set up exempt unit trusts to assist self-administered pension funds to make the best use of the invested premiums. The funds were exempt from tax on dividends and the pension fund recovered the income tax deducted at source.

Professor J. M. Samuels, Professor of Business Policy, Graduate Centre for Management Studies, Birmingham, said unit trusts had offered a great opportunity, giving a new spectrum of investment. But Press advertisements usually merely emphasised performance.

Only in the last few months had advisers begun to suggest that even suggested it was possible to lose money on unit trust investments.

Unit trusts tried to raise money at the time of "bull market." This, from their point of view, was sensible, but from the public viewpoint it was not so. Managers of unit trusts must know the market was going to turn downwards, but they still tried to attract funds by emphasising good past performance.

The Press did not offer the correct advice at times like this, and one wondered whether they were really trying to help the public or encourage unit trusts to advertise in their papers.

To be fair the Press was now emphasising that unit trusts were a medium to long-term investment, but there must be many bold investors looking for short-term gains.

SAFETY BARRIER FOR 72 MILES OF M1

The 64 miles of M1 between the Scratchwood service area in Hertfordshire and the junction with the M6 at Catterthorpe, Leics., now has a safety barrier on the central reservation. A barrier now extends for 72 miles from the southern end of the M1 at Five Ways, Hendon, to Catterthorpe.

Another record year for GEORGE H. SCHOLES & CO. LIMITED

Main points from the circulated Statement of the Chairman, Mr. G. S. Pearce, C.E.M., F.I.C.E., for the year ended 30th June, 1971. It is with considerable pleasure that I am able to report that the profit before taxation for the year ended 30th June 1971 passed the £1M mark by a handsome margin. With the increase in sales of 16.4%, profit before taxation amounted to £1,081,499. Corporation Tax at 40% requires £432,600 reduction in the profit before taxation to £648,899 compared with £531,043. It is pleasing to be able to report the above figures in view of my guarded optimism 12 months ago. While sales for the year have been reasonably buoyant, a persistent lack of confidence in industry and commerce as a whole has had a disturbing influence on demand.

It will be recalled that in our Interim Statement in April we stated that it was our intention to pay a Final Dividend of 5p per share in substitution of the Final Dividend and Bonus paid in March. However, in view of the record results, we are proposing a Final Dividend of 10p making a total distribution for the year of 15p compared with 11 1/2p a year ago. This is in line with our previous decision that there is no justification for retaining further profit. In the amended Accounts it will be noticed that a figure of £34,824 in taxation provisions is provided in no longer required as a result of reductions in the rate of Corporation Tax. This amount has now been added back resulting in an unappropriated profit at 30th June 1971 of £151,706.

We welcome the recent initiative taken by the Confederation of British Industry to limit price increases and have every intention of following these recommendations during the current financial year although to a large extent this will depend on the co-operation of suppliers and employees in the limitation of price increases and wage demands. If we hold our prices at their existing levels until July 1972, a period of 21 months will have elapsed since our last price increase which I feel must be something of a unique situation under current conditions. Naturally if costs continue to rise during the year this will of necessity make inroads into our profitability, but I am sure Shareholders will endorse our proposed line of action. We have entered the current year with cautious optimism and sales to date are showing a satisfactory increase over the same period 12 months ago. Providing demand is sustained there is every reason to expect sales for the year to be in excess of last year.

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For more information, contact: ELECTRONIC OFFICE, 111, Tottenham Court Road, London, W.1P.

October losses by fire 1971's worst

FINANCIAL TIMES REPORTER.

OCTOBER was the worst month for damage in the U.K. so far this year, the British Fire Association announced.

The total was £300,000, the highest since the previous peak of £200,000 in both May and June.

At a Scottish warehouse, damage to have cost more than £100,000, and 14 other out-lets involved damage of £100,000 or more.

The BFA commented: "None of the fires was at premises protected by sprinklers, and the fire cotton mill started in a protected by sprinklers."

Of 99 fires estimated to have cost more than £100,000 each, more than a third occurred in places used by the public, such as hotels, schools and shops, the BFA said.

All the figures represent material damage only and do not take into account disruption of business and loss of production or exports.

Magistrates urged to explain verdicts

MAGISTRATES should give their reasons for reaching a decision in all cases, the Law Society contends. At present, it says, verdicts are based on state decision without saying facts they accept and those they reject.

The Law Society also urges that successful appellants should recover their costs from public funds unless it was shown that they were the authors of their own misfortune.

While we have no desire to encourage reckless appeals, it is important to be satisfied that aggrieved defendants are not discouraged from appealing because of excessive costs.

The report also urges that people should have a right of appeal in cases where they have been ordered to forfeit their surety for someone who has failed to surrender to bail.

Wider powers. The report recommends that the Queen's Bench Court where appeals from magistrates' courts on points of law are heard—and crown courts, where the majority of appeals will be heard, should have wider powers to deal with injustices before magistrates.

It says that a court with the status of the divisional court should exercise a powerful all-embracing jurisdiction over magistrates' courts, with a minimum regard to procedural technicalities.

The Law Society also recommends that there should be a right of appeal by legally-aided people against the amount they are ordered to pay towards their defence costs.

Londoners 'ignorant of new town attractions'

NOT ENOUGH London families know about the opportunities for homes and work in the new towns and much closer co-operation is needed between the various authorities to help families make the move from London.

This is the main conclusion of a report published today on Peterborough Week held in Lambeth last March. During the week Peterborough Development Corporation, Lambeth Borough, the GLC, and the Department of Employment set up open house in Lambeth housing centre to tell Lambeth people about Peterborough.

Nearly 500 families registered a firm wish to live and work in Peterborough, over 80 miles away—given the right job. Three hundred of them had not previously considered moving and were not until then registered with the GLC as wanting to move to a new or expanding town.

So far, says the report, about 80 people have been offered job interviews, and 31 families have moved to Peterborough. The Development Corporation is keeping in touch with the remainder until the employment situation improves.

The report adds that many more would have moved if the arrangements for the Peterborough week had not coincided with the deterioration in the country's economy. Some jobs were available, but preference had to be given to unemployed Peterborough men.

Peterborough Week in Lambeth was the first direct approach by a new town development corporation to London people in poor housing, and "the week's success marks the beginning of a new relationship between the problems of London and the expansion programmes of cities such as Peterborough."

Commenting on the report, Mr. Wyndham Thomas, development corporation general manager, said: "We have shown that the face-to-face contact of such a week is the most effective way of telling Londoners about a new town, provided—and this is important—that the country's economy is healthy again and that many more jobs are available than turned out to be the case this year."

"There are already encouraging signs of improvement in Peterborough, so we look forward now to strengthening our contacts with the GLC and the London boroughs faced with severe housing problems that cannot possibly be solved within London."

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REPORT FROM THE REGIONS

BY ANDREW HARGRAVE

Hebridean life at the crossroads

THE ISLE of Lewis is not paratively low. The latter particularly by the Harris tweed industry although, as we shall see, it too looks to the Board for help in its future plans.

Technically Lewis, alone with Harris in the Outer Hebrides, falls within the jurisdiction of Ross and Cromarty Council, which has helped by appointing a full-time development officer and also by commissioning a survey about Lewis's economic prospects. It will be completed by the end of the year, but the preliminary indications are not very encouraging.

So the islanders have launched a campaign of self-help. A development fund, with an ultimate target of £150,000, is being set up by an "Attraction of Industry Committee" headed by Stornoway's Provost, Mr. Sandy Matheson. Its aims were recently outlined by Mr. Matheson who, at the age of 30, is the youngest Provost the town has ever had.

Mr. Matheson has written to Premier Ian Smith of Rhodesia asking him to "unfreeze" the £75,000 Macaulay Trust Fund which had before UDI helped to buy a couple of fishing boats. (The late Murdo Macaulay emigrated from Lewis to Rhodesia, where he made his money in gold.) The Committee is also prepared to lease part of the 80,000 acres of Stornoway Trust estate at nominal rent. Around 1,500 people—tenant farmers, old people, fishermen—live on the estate, but there is plenty of space for prospective developers.

Then there are the Lewis expatriates, prospering in many parts of the world. Some of them, Provost Matheson believes, would be proud to serve as "Ambassadors" for Lewis, others might contribute to the fund and leave it at that.

The Fund, says Provost Matheson, could be used to lend out money at nominal interest to worthwhile promoters, "based on character rather than security," and also to supplement aid provided by the Government, the Highlands Board and other agencies. It would also promote and publicise native crafts and skills and assist in maintaining the worthwhile aspects of Hebridean life and tradition.

The Provost and his committee of Lewis in and out of Stornoway (a certain amount of rivalry between town and its surroundings is evident, even to the casual observer) are, however, realistic enough to see that one job saved is as good as one job gained. As one-third of the island's total working population is employed in spinning, weaving and processing Harris tweed, the future of this basic industry is very much tied up with the prospects of Lewis.

But Harris tweed, firmly rooted in the crofting system which guarantees its trade mark, is at a cross-roads. Customers are increasingly restive about the narrow 39-inch cloth and want the wider 54-inch cut to suit their machines. This would mean changing the traditional cloth will greatly increase the competitiveness of Harris tweed, particularly if Britain enters the EEC.

Fishing, the island's second largest industry, has received a shot in the arm from the Highlands Board's fisheries scheme and also from the fish processing factories which have

greatly increased local landings. Moreover, one of the first moves planned by the "Attraction of Industry Committee" is the revival of fishing from Carloway Harbour, on the west coast of Lewis, about 12 miles from Stornoway. A preliminary survey has found that nearly 100 people in the area would be interested in fishing and fish processing.

New small enterprise, revolutionised tweed and revived fishing is the strategy for halting the brain drain from Stornoway; but there is still a question mark. Strange as it may seem, the average wage on the island (a self-employed weaver may pocket about £18-£19 a week net) is considered too high by some employers, who also have to take account of "locational costs"—transport, larger stocks and servicing, and selling charges.

But Mr. Robin King, the development officer, would argue that if Shetlanders, under much tougher circumstances, could build up a thriving community, why not Lewis? And Provost Matheson assures visitors of an adaptable, intelligent labour force wanting to get away from it all, what better place than Lewis with its pleasant harbour, fishing, sea lochs and golf courses? In the past year or two, two new hotels have opened on the island, and a third is under construction. Is this not a sign of faith in the future?

Over the next few years the tweed manufacturers will embark on the process of converting the looms and, above all, the crofters to their use. The prototype is due to arrive early next year, and the employers plan to set up a centralised leasing company which will buy the looms, plus other equipment, and rent them out to the weavers. The total investment is expected to exceed £1m. Mr. Murdo Morrison, chairman and managing director of S. A. Newall and Co., the largest single enterprise on the island, is confident that double-width cloth will greatly increase the competitiveness of Harris tweed, particularly if Britain enters the EEC.

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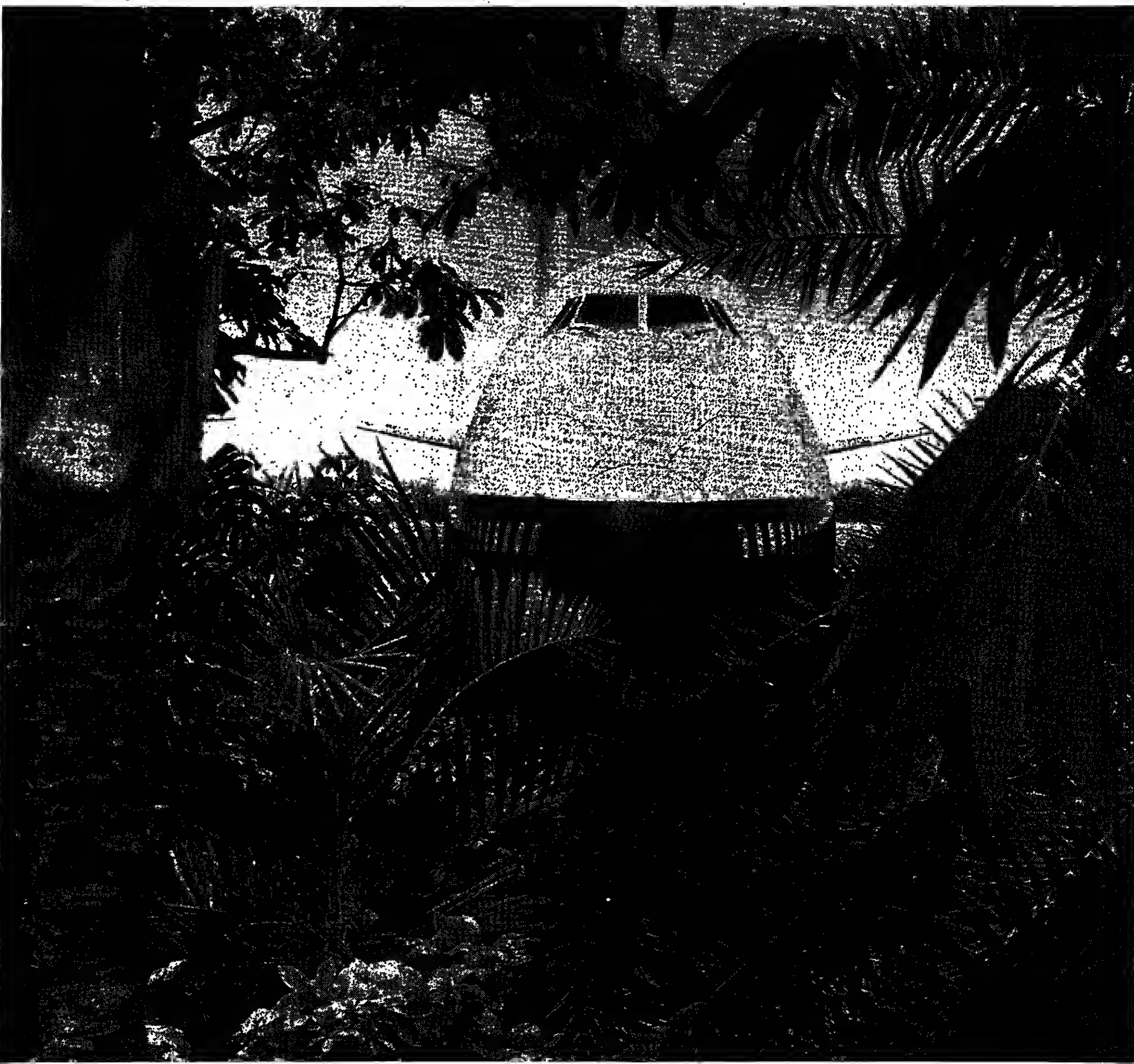
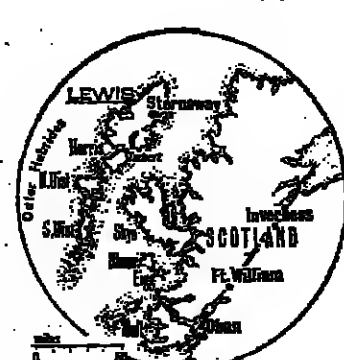
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Aircraft industry kept alive by subsidies, says Beeching

AIRCRAFT INDUSTRY is kept alive by subsidies, says the Minister of Transport, Mr. Peter Walker, in a speech to the House of Commons yesterday. He said that the industry, which is heavily subsidised, is the only one of its kind in the world. He said that the industry is the only one of its kind in the world. He said that the industry is the only one of its kind in the world.

Forecast of 12,000 new jobs in air transport

ELSBETH GANGLIN

ALTHOUGH 12,000 new jobs will be created in air transport during the next three years, forecast by the Transport and Travel Industry Board, yesterday, Mr. Lynch, director of the board, said that the industry is the only one of its kind in the world. He said that the industry is the only one of its kind in the world.

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Higher ITV rentals and UHF expansion

BY ARTHUR SANDLES

DETAILS of the Independent Television Authority's (ITA) report indicates, would produce a mood of instability in the industry. The report, which is the first of its kind, is the first of its kind.

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Go-ahead for Occidental's Canvey Island refinery

BY ADRIAN HAMILTON

AFTER over a year of delays and uncertainty, the Government has given the go-ahead for Occidental's £40-£50m. 6m-ton-a-year oil refinery on Canvey Island.

The decision was welcomed by the Government, which has already approved a similar development in the area. The decision was welcomed by the Government, which has already approved a similar development in the area.

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Atlantic air fares details being prepared

EXPERTS of the International Air Transport Association (IATA) met in Geneva yesterday to work out details of the basic agreement on transatlantic passenger air fares reached last week in Honolulu.

The highly technical and complex work, carried out mainly by computer, is expected to last a week. The 24 transatlantic carriers are expected to give their final approval on the fares at a meeting in Geneva on December 2.

Another IATA group is now meeting to establish a revised system of transatlantic cargo rates.

Agreement on cargo rates was delayed at IATA's freight rates conference in Singapore in May and June by Seaboard World Airlines of the U.S., an all-cargo airline that later left the IATA.

Another expert group will begin on November 30 working out passenger fares between Europe, the Middle East and Africa, while the rates for the extended routes to Asia and Australia will be discussed on December 8.

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Operating costs up

Operating costs for the year were £1.46m, compared with £1.14m the year before. The increased activities of the IATA accounted for much of this rise.

This year the increased rentals paid by contracting companies paid by the IATA position radically. Last year annual rentals were running at around £5m. A year, they are now at £12.3m.

Rentals range from Thames' £1.87m, London Weekend's and ATV's £1.57m, and Yorkshire's £1.2m, to Westward's £281,000, Ulster's £162,000 and Channel's £122.

The report makes the predictable calls for more hours for commercial television and talks of the need for a second channel.

It also once more reflects the Prices and Incomes Board recommendation that there should be fewer contracting companies at the moment. Changes now, the

NEW BOEING 707 FOR DONALDSON

Donaldson International Airways, the Gatwick-based British independent airline, has ordered a further Boeing 707. This brings the airline's fleet to four 189-seater 707s, all bought in the last 12 months from Pan American.

How IBM's System/3 saves money for the people who sell money.

IBM System/3 is saving money for Charles Fulton & Co, the international money brokers. A considerable sum of money.

But that's precisely what System/3 is geared to do. Help firms to grow and save them money.

Fulton's international dealing generates a constant flow of sophisticated financial calculations. System/3 does the working out. Quickly, accurately and efficiently.

They need statistical facts. They get them fast with System/3. Fulton's need detailed breakdowns of each day's business so that they can monitor trends in markets from Moscow to San Francisco. They get these from System/3, too.

And all this from a computer that's so small it fits easily in their offices, without false flooring and special wiring.

The operating of System/3 is done by Fulton's staff too. None of them were computer specialists. But they didn't have to be. The computer's controls are few and simple.

And it can be bought or rented for a price that's little to pay for any computer, let alone one as versatile as this.

A computer that actually saves money for people who sell money.

IBM

IBM United Kingdom Limited.

THE SCOTTISH METROPOLITAN PROPERTY CO. LTD.

Salient points from the report for the year ended 15th August, 1971 and the statement of the Chairman, Mr. I. A. Walton, J.P., L.L.D.

Group Revenue increased from £1,469,098 to £1,724,431 and Profits Available for Distribution rose from £442,057 to £500,930 representing an increase of more than 13%.

The Directors declare final dividends for the year of 15% (1970-14%) amounting to £450,355 (1970-£419,491) leaving a carry forward to Reserves of £50,575 (1970-£22,566).

A Scrip Issue of 1-for-5 is proposed and the Directors anticipate maintaining a 15% dividend on the increased capital, equivalent in an effective increase of 20%.

Property Expenditure during the year totalled £2,200,778 bringing the book value of the total portfolio to £25,259,293 as at 15th August, 1971.

Prospects and Future Growth—A large number of rent reviews and reversions will take effect in the current decade some from leases dating back many years and others in more recent years. On the basis of rents recently achieved I would consider that the present net rental income will at least double by 1981. This estimate takes no account of any future increases in rental levels over the decade and it also of course excludes the benefit of acquisitions and developments now under negotiation and of any further transactions which will take place within that period.

At the Annual General Meeting held yesterday, the Chairman stated that since the year end the company had acquired properties at a cost of £2 million of which £1.1 million had previously been announced. Further acquisitions are in the course of negotiation.

NEWMAN-TONKS LIMITED

Activities include the manufacture of architectural and builders' hardware, Briton Door Closing Devices, non-ferrous tube and extrusions and components for a wide range of trades.

MERGER BENEFITS ACCRUING

Extracts from the circulated Statement of Mr. Herbert C. Sheaf Group Chairman:

It gives me great pleasure to report on the first full year's trading of your Company since the merger, which I deem most satisfactory bearing in mind the uncertainty of the Building Trade and the fluctuations in metal prices during the period.

The profit of £905,023 justifies the Directors in recommending final dividend of 20%, making a total of 28% less income tax for the full year, as forecast in the merger document.

Exciting and significant activities are taking place within the Group where the full benefits of a merger are being planned and implemented throughout. The preparations for this, together with factory moves to utilize space economically, the rationalisation of plant and products and the re-organisation of the management from the Main Board to Shop Floor level has obviously had its effect on the profit; the benefits are long term and only just becoming effective in the current year.

Our products are mostly used in the Building Trade which at long last seems to have an air of revival and confidence, judging by our forward order book. In further new ranges of products we turned during the year N.T. Locks Ltd. which together with other newly introduced products will have considerable impact in the Builders' Hardware Trade.

I am happy to report that our Overseas Companies have increased their profits, which together with direct exports, are making a significant contribution to the Group results.

Advertising and... Marketing notes

Please reply to us quoting MD/1042/FT on both envelope and letter. Letters will be forwarded unopened to our Client. If there are any companies to which you do not wish to have your application forwarded, please indicate this in a separate letter addressed to the Security Officer.

Write for further particulars and application form quoting title of post and reference number 71/NU 10: Appointments Division, The British Council, 65 Davies Street, London W1Y 2AA.

[illegible]

CUNLIF HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of the £1 1/2% First Mortgage Debenture stock of the Company will be closed from the 18th to 21st December, 1971, both dates inclusive.

D. C. RISSIK Secretary.

Hounslow House,
Ryder Street,
St. James's,
London, S.W.1.
5th November, 1971.

THE annual IPA report on the state of advertising agencies provided few surprises. Net profit on income before tax fell from 11.2 per cent in 1969 to 8.25 per cent last year and it was going to hear the IPA director J. Jim O'Connor stressing the figures rather than the will misleading profits on turnover which suggest that agencies really are on the breadline. This year profits should be higher.

Perhaps more surprising was the drastic fall in numbers

ployed. IPA agencies (the v bulk) shed 1,600 people in the year ending September 1 last and now only 15,500 workers produce British advertising. This is the sharpest ever fall, on comparable to 1957. It does show agencies are pushing their turnover per employee. Their large agencies it is now the top New York level of the staff for each in millions in billings although the average nearer twice that figure.

The new agency opens with \$400,000 worth of business and accounts moving from Cavendish & Nunn, Nunn & Co., Weddle & Co., Infectionco., Lintafoam, Cold Houses, Brock's Fireworks, Rush and Tomkins and Seaboard International. Racial Electronics is switching its \$250,000 account to the new agency. Also included are Price Furnishers and Swiss Musical Industries have appointed the agency.

● Truman's beers are now with Wassey-Quadrant and Harg Langer has been placed with Charles Barker from January-1.

● The retail division of Commercial Plastics (part of Unilever) has moved to the new agency. Vinyl and Mayfair wallcovering business with Taylor Advertising with effect from January 1. It is the second consumer account for the mainly industrial agency and will be worth about £100,000.

As a result of the acquisition from McCann-Erickson, Taylor & Austin Knight reports business over \$5m. for 1971, a decline of "less than 10 per cent." for 1970 despite an average fall of 25 per cent. in the recruitment of new clients.

● The Welsh Rugby Union, who make at least £110,000 over the next 5 years from poster advertising round the Cardiff ground, London and Provincial "Post" group, has won the contract to place its advertising orders high not begun yet, here have enquiries. There are no plans "at the moment" for similar facilities at Twickenham & Murrayfield.

● The search for a new agency for Avon's TVC will see the last presentations to-day. The company has not been spending in the last two years but is planning a £300,000 campaign and the pitches are Brumby & Co., Abbott & Abbott, Hughes and Partners, Roy & Walker Rich, Greene.

**Sir Michael West,
Fosco Minsep Limited,
36 Queen Anne's Gate,
London SW1H 9AR.**

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hondia accounts and general ex-
perience. In experience in de-
export business an advantage. Must
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initiative. Work hours are
not initially be excessive.
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applicant will have exceptional
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and offices in Central London will be pleased to contact British Manufacturers of building materials, exporting, or wishing to manufacture under license in the Middle East. Stocks of materials will be purchased for processing in this Country, prior to forward shipment to our Parent Company abroad. Write Box 8,6453, Financial Times 10, Cannon Street, EC4P 4BY.

managers with considerable commercial experience offer services to manufacturing companies in low technology design areas. Some capital available. — Write Box B.646 Financial Times, 10, Cannon Street EC4P 4BY.

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Filed to the building trade with the associated company in Brussels seeking first-class agencies in the European market areas, especially related to normal inflation etc. and other

In the Anglia/London overlap area Anglia only homes are up

**For further information
contact Peter Battle, Anglia
Television Limited, Brook
House, Park Lane, London
W1Y 4DX. 01-493 8331.**

Source: AGB/JICTAR October 1971
Establishment Survey.



ANGLIA TV LIMITED

Stop press !

The Anglia Television set count is up 6% to 1,092,000 which means 62,000 more homes are now able to view Anglia T.V.

Homes viewing Anglia T.V. *only* are up by 11.3% to 740,000; 75,000 more homes are now able to view Anglia T.V. *only*.

In the Anglia/London overlap area Anglia's coverage has increased by 25% to 81%.

In the Anglia/London overlap area Anglia only homes are up

by 80%. Dual receivers have decreased by 21.2%.

Colour set ownership for Anglia is now 7%.

Take account of these facts when planning your next television campaign.

**For further information
contact Peter Battle, Anglia
Television Limited, Brook
House, Park Lane, London
W1Y 4DX. 01-493 8331.**

Source: AGB/JICTAR October 1971
Establishment Survey.



The Marketing Scene

Tesco sheds its grocer image

KELSEY van MUSSCHENBROEK

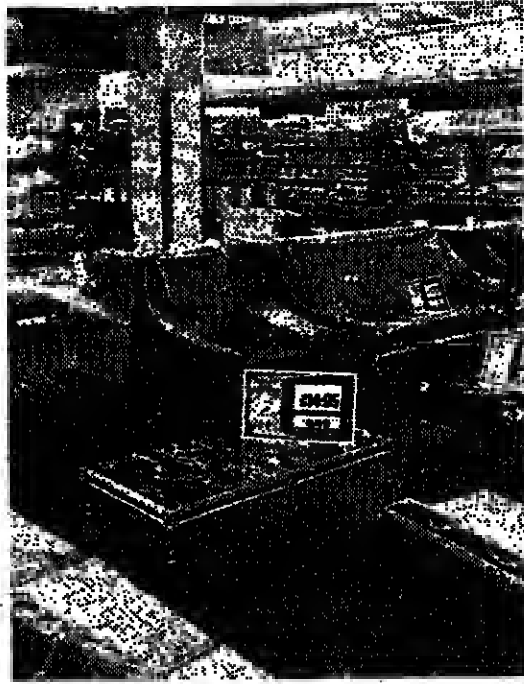
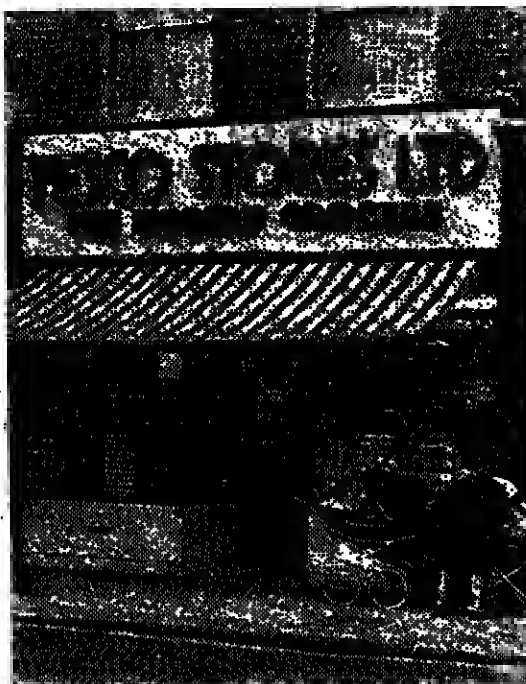
IS a tribute to Tesco's fair publicity that during 25 years of headlong expansion it has established an almost unshakable hold on the public's imagination as the country's number one cut-price grocer. If such a reputation has often even equally keenly pined competitors to distraction, there is a nice irony in the way this year now poses some problems for Tesco itself.

The two stores shown on this page are within a couple of miles of each other yet they are a vivid illustration of the long way Tesco has travelled since grocery days. The tiny terrace store is something out of Tesco's past. The massive Wandsworth store is an instant signpost for the future.

It is on two floors, covering 100,000 square feet in all; but a crucial statistic is that nearly 90 per cent of this area has been given over to non-foods—on textiles to furniture. This week Tesco opened another new store (14,000 square feet) at Waltham, Essex, in a new development which already includes Marks and Spencer and British Home Stores. Quite deliberately, the Romford store sells no groceries at all. A similar unit has opened at Chester (10,000 square feet), while the eighth store to be opened between now and Christmas will include significant non-food—Home 'N' Wear—departments.

road sense

Obviously, Tesco must now be described as a cut-price retailer, not in the broadest sense. For example, the group claims to be selling 5m pairs of shoes a year; it sold 250,000 Swiss watches in the first 60 trading days after their introduction. Present estimates are that this figure would rise to around the 1m mark in a full year.



FREDERIC JANSZ

Yet Mr. Hyman Kreitman, Tesco's chairman, is the first to admit that the company's grocery image lingers on, especially in the City. His response to this is to repeat his belief that Tesco can and will sell almost anything the public wants; to reaffirm his intention to move into 100,000 square foot hypermarkets in which as much as 70 per cent of the sales area will be given over to non-foods, as soon as (hopefully) the planning authorities give them the go-ahead; and to draw one's attention yet again to his latest annual statement which openly alludes to the influence Tesco's Home 'N' Wear Division is having on overall margins.

Nevertheless, the company is still shy of revealing an accurate breakdown of its sales and profits

between groceries and non-foods for competitive reasons; but until this does happen it is a fair bet that Tesco will find it difficult to bury its past image entirely.

What deputy chairman Leslie Porter—be heads up the Home 'N' Wear Division—does say is that within three years non-foods will probably be contributing more than half Tesco's profits. That in itself is a measure of the present significance of Tesco's Home 'N' Wear operations.

This week's openings bring their number up to 480, out of a total of around 500 stores—58 of these are entirely Home 'N' Wear. The group's non-foods' side also embraces nine "do-it-yourself" departments (three of which are separate stores), 13 separate furniture units and another 14 in-store furniture departments. It is reckoned that by 1974-75 Tesco will have increased its Home 'N' Wear operations to 700, of which as many as 200 will be separate stores.

The non-food range has already been extended to 3,200 lines, including clothing, toys, lighting, hardware, electrical consumer durables and banquets (a recent addition). Over 500 of these product lines are sold under the group's house labels—Delamare and Tesco.

Another measure of the growth of Tesco's non-food business is the expansion that has taken place in the warehousing needed to back it—the stock-turn is now once every six weeks. In the autumn of 1969 the original depot at Harlow in Essex was doubled in size and together with another warehouse (see Victor Value) at Sandwich, Cheshire, was said to give the group "adequate distribution facilities".

These two are already reaching capacity, so that Tesco is having to double it yet again. Early in 1973 5m. cubic feet of new warehouse is planned to become operational on a recently acquired 14-acre site at Milton Keynes; it will replace the two existing units. Moreover, the site is large enough to accommodate further expansion—the implication being that it will probably be needed.

In view of all this, it is no longer enough to see Tesco simply as a food chain progressively widening its non-food range

wherever space in a supermarket becomes available. The group's Home 'N' Wear Division has acquired a momentum of its own, justifying new sites without reference to any grocery potential.

It is not difficult to see why this ever-profit motivated company is pressing the non-food accelerator. Over the past couple of years grocery sales have hardly been an exciting growth area, while suppliers have been adopting a tougher attitude towards the retail trade. Moreover, in groceries one is dealing mostly with a highly concentrated domestic industry. In non-foods the scope for aggressive bargaining with more fragmented foreign suppliers is significantly greater—and about 40 per cent of Tesco's non-food merchandise is imported from sources as far apart as Portugal and Hong Kong.

For a group initially schooled in the merits of low margins and high utilisation of selling space, as well as the dangers of grocery pilferage, non-foods are a delightful prospect. Says Leslie Porter: "If you compare a conventional supermarket with a Home 'N' Wear unit, fitting out costs are less for Home 'N' Wear, in-store labour costs are about the same and so are rates—although where we go on to the first floor they are much less. Shrinkage (pilferage) is less, too."

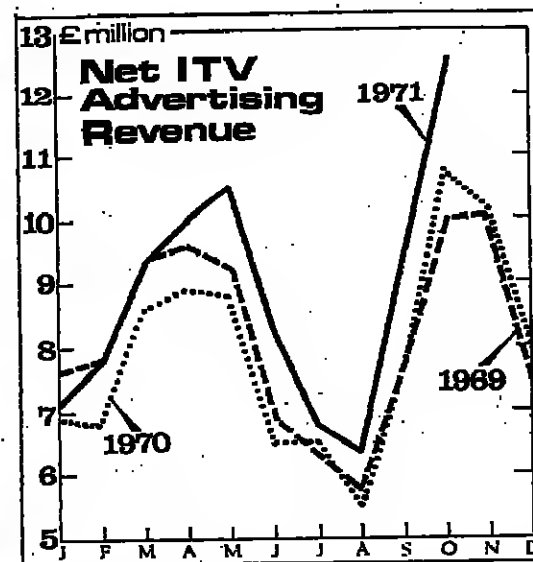
On top of this, whereas as much as 40 per cent of a supermarket is normally given over to storage and preparation areas, in a Home 'N' Wear unit this non-trading area drops to 10 per cent of the total. The overall effect is that while Tesco aims to achieve a pre-tax margin of 6 per cent on the food side, the figure for non-foods is about 14 per cent—and that figure may well be conservative.

Last year Tesco's actual pre-tax margin was 5.32 per cent—a small improvement on the previous year, but still well short of the 6 per cent plus Tesco targeted in earlier years when the company was still strongly grocery-based. Today Tesco is moving rapidly into areas where Woolworths, BHS and Marks are already entrenched, but it has yet to reach the 8-12 per cent pre-tax margins they ring up. When this happens Tesco will indeed have kissed its past goodbye.

Problems ahead, but . . .

A record year for ITV

BY ANTONY THORNCROFT, MARKETING EDITOR



OCTOBER was another excellent month for the television contractors. Advertising revenue totalled £12.5m, 18 per cent higher than a year earlier, and even if the November figure shows a less impressive rise, the 1971 total is certain to far exceed the previous record income of £9.8m in 1968. And this in a year when the contractors gained an extra £10m through the halving of the advertising levy. No wonder the companies have been turning in some impressive profit and forecast figures.

It is rather surprising, then, to be told by Ron Halstead, chairman of Beebham U.K., and president of ISBA, the advertising press group, that "the TV companies are committing commercial suicide." The fact is that there is little love lost at the moment between the contractors and advertisers because the former are doing so well by charging the latter considerably more for their TV spots. While most TV advertisers are holding back price increases of their own products as a result of the CBI initiative they are finding their bills for television advertising rising by around 20 per cent over last autumn. (The actual increase is impossible to generalise about because a clever buying department in an agency can get a much better deal than a novice and there are wide variations between regions.) For the moment at least the demand for television time far exceeds the limited supply.

Summer squeeze

This, say the ITV contractors, is the crux of the problem. The autumn is the peak advertising time: come the summer the boot may well be on the other foot and they will be squeezed by the advertisers. And, as George Cooper of Thames points out, the recent upsurge follows two hard years, on a running annual total the October income of £10.6m is only 6 per cent higher than the January, 1969, figure. More to the point the cost per vital figure is still well below the 1968 peak which did force advertisers to look at other media. This autumn ITV viewing figures have stabilised at a very reasonable level (56 per cent of the total audience, according to JICSTAR) and no major advertisers have yet threatened to withdraw from television. As John Beasley of Cadbury-Schweppes says "it would be silly to cut off our nose to spite our face." And TV is still for

many the most cost effective medium.

One thing seems certain: the advertisers are reluctant to increase their budgets. They are making do with fewer spots, or cutting out the smaller regions, or as David Barnett of Brooke Bond Oxo says "saving at the production end by filming a commercial in the style of Wright rather than the Bahamas." There has been some increase in TV budgets but the higher expenditure comes mainly from new products and advertisers who have been tempted back to television by signs of an upturn in the economy.

Nevertheless, many advertisers are going to be shocked when they see what television cost them in October and the only consolation is that the worst is past. Cadbury-Schweppes, for example, even though it is second only to Unilever as a TV advertiser, found its costs in the London area up by 20 per cent, although the rise was less elsewhere. Conditions are likely to be easier for advertisers from now on, for some budgets have been exhausted and the grip of the contractors is always looser in December and January. There are even some agencies who wonder whether the scare about the difficulty in getting ads. on TV might not have been overdone. "Give me £100,000 and I can easily spend it for you in a week," says George Pincus of Benton and Bowles and certain agencies like Masius Wynne Williams who devote the bulk of their clients' money to TV advertising, almost certainly managed to negotiate attractive deals with the big contractors before the recent squeeze on time.

Indeed, when you examine the situation it is only a minority of ITV regions which have done very well. Scotland, for example, showed a modest increase in October and the same goes for the other peripheral regions. It is Thames and LWE which have really cleaned up. Instead of taking around 28 per cent of the total cake as is normal, London will easily well over 30 per cent, although (which is after all the vital figure) is still well below the 1968 peak which did force advertisers to look at other media. This autumn ITV viewing figures have stabilised at a very reasonable level (56 per cent of the total audience, according to JICSTAR) and no major advertisers have yet threatened to withdraw from television. As John Beasley of Cadbury-Schweppes says "it would be silly to cut off our nose to spite our face." And TV is still for

one arm bandit machine," says another contractor ruefully.

Not that we are likely to hear much of ITV 2 in the immediate future. It seems that no decision will be taken until 1978 when both the BBC and ITA charters come up for renewal. Some cynics even feel that the whole ITV 2 publicity operation was a smokescreen to pave the way for the more immediately acceptable longer hours for the existing contractors. These seem sure to come next year although they are not so imminent as some enthusiasts might expect because of the transience of the BBC, which maintaining it cannot afford to compete with the additional hours they should ease the demand situation and reduce the current tension. Leading advertisers are certainly keen on the idea.

The only thing which could exacerbate what should be a steadily improving situation is an attempt by the TV contractors to effectively increase their 1972 rates by adopting the Thames pre-empt system. For as William Ware of Spillers says "only 12 per cent of the higher cost of time this autumn is due to

straightforward rate increases: the rest follows from the contractors making us pay more to book time." Spillers however has looked at the alternatives and decided that it must stick with television advertising. At the same time it is trying to persuade the contractors that advertising rates will only mean that the promotional budgets will make less impact and more markets will face the danger of being dominated by cut price promotions and own label brands, as is the case with soft drinks. If the TV companies belatedly follow the price restraint adopted by their advertisers the bad feeling of this autumn must melt in the spring.

But longer hours will not solve all the problems, as John Freeman of Lodon Weekend pointed out this week to the Media Circle. It does not supply any extra peak time: only a second channel will do this. If, as seems likely, this does not arrive then by next autumn the ITV contractors may be under great pressure from advertisers for time for the signs are that advertising spending will continue to rise in 1972.

GO

Go cost cutting. Go selling. Go merchandising. Go entertaining. Go visiting. Go shopping. Go travelling. Go.

£1 a day rent a car plus mileage

What are the mileage rates?



GROUP 1	GROUP 2	GROUP 3	GROUP 4
VIVA 2p per mile for 10 miles daily, 13p thereafter.	VIVA DE LUKE 3p per mile for 10 miles daily, 13p thereafter.	FIAT 4p per mile for 10 miles daily, 13p thereafter.	VICTOR 5p per mile for 10 miles daily, 13p thereafter.

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2. Unlimited mileage rates if you want them.
3. Includes comprehensive insurance, free RAC membership, maintenance and oil, but excludes petrol.
4. New Vauxhalls or other fine cars rarely more than six months old.

Budget Rent a Car Self Drive

Ring up Budget now for this great special. You'll find your Budget office in the Yellow Pages or the local paper classified. Over 106 offices throughout the U.K. Company executives call in your local Budget Manager. He would like to help you cut costs.

This great special was created for you to make friends with the largest discount car-hire network in the world.

For free reservations in England, Ireland, Scotland, Switzerland, Germany, Holland, Greece, South Africa, The Caribbean, Hawaii, Canada and the United States write World Wide Reservations, Rossmore House, Welwyn Garden City, Herts, England or phone Welwyn Garden City 2761.

The car rental service of Transoceanic Corporation

You won't know how rich you are

or how rich you can be, until you bank with us.

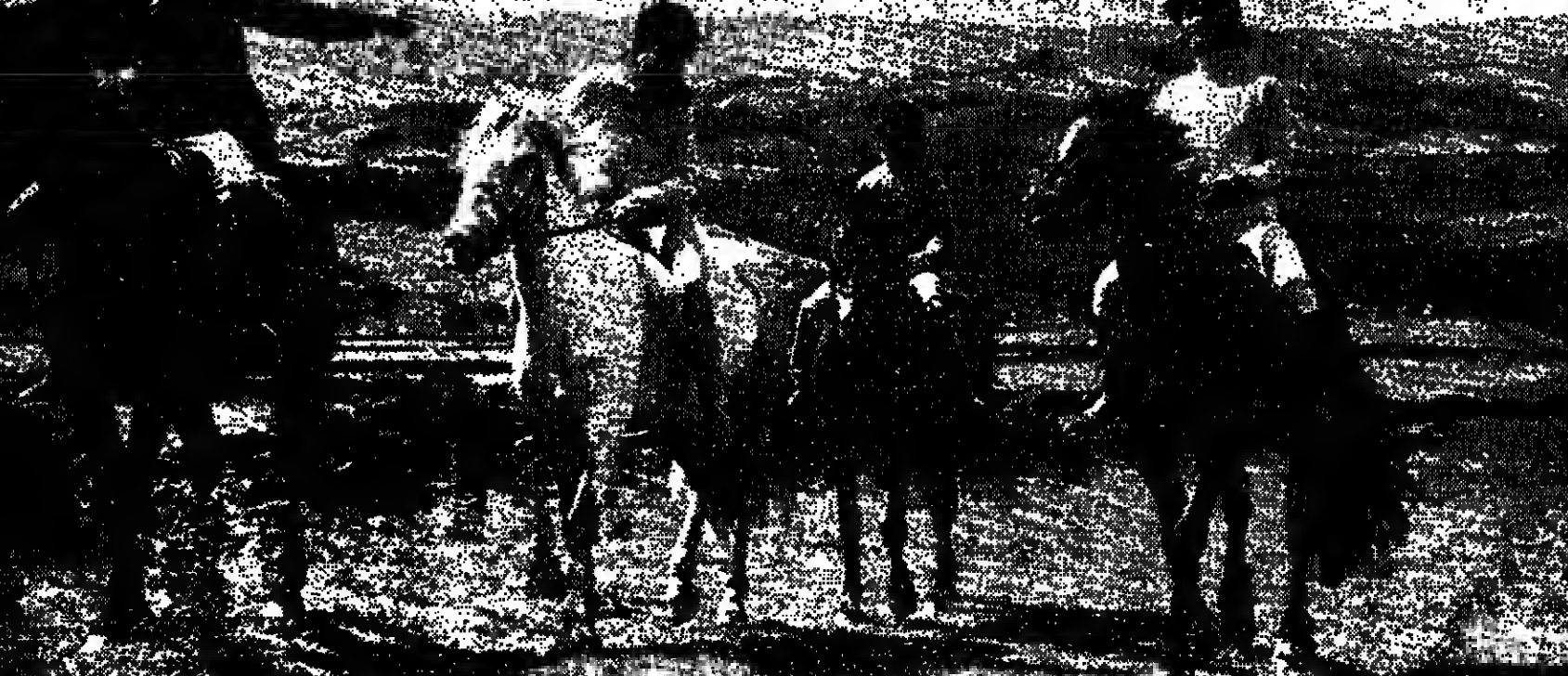
We believe banking is a two-way business.

We see our job as being more than merely helpful.

As being active in your interests. As working to make you richer.

And it's a pleasant fact that our customers are richer than most.

Why not step up and join them?



WILLIAMS & GLYN'S BANK

the oil company threatened to...
Johns...
game's...

German industry's game of brinkmanship

Ironically, the episode of the metal workers' strike offers a possible example of the soundness of German wage negotiating procedures.

Honour, in the end, will be satisfied on both sides. **Malcolm Rutherford, Bonn, Wednesday**

THE first time since 1963 that production has stopped at Daimler-Benz, the pickets parade distributing leaflets in Turkish, Serbo-Croatian, and English. The union has its own translators, but that it cannot cope with 25 languages which Daimler-Benz workers are to speak between them.

So far, the company has been very orderly. It has even given its Christmas bonus to the strikers. There have been few complaints from the strikers.

Strength
The strike is not just confined to Daimler-Benz, perhaps Germany's most prestigious company. A total of around 120,000 workers are now involved, stoppage at such plants as Daimler-Benz, Robert Bosch, all Bearings and Brown, as well as a host of less well known. But these are only the tip of the iceberg.

number ultimately could be more than 400,000, one-fifth of the total labour force. It is still unlikely that it will come, yet the whole episode is an example of the potential strength of the German unions. The union concerned is the IG Metall, which anyone who works in industry with metal. With over 1 million members it is the largest

in the Western world, even though less than half of the metal workers actually belong to it. For nearly two months now it has been seeking pay increases of between 9 and 11 per cent, so far without success.

Strung out

Yet the time it takes is not considered important; indeed, German trade union law insists that the bargaining process be strung out, in that at each stage there is a built-in cooling-off period. The objective, as practised in the past, has been to allow both sides to play an extended game of poker, driving each other to the brink of strikes and lock-outs in order to win the maximum concessions. But the unwritten and usually accepted corollary has been that the final settlement should be compatible with the German aims of high employment, price stability and economic growth.

In the past, it has worked—usually without the strikes. The differences to-day are that the economic aims are already endangered, and that the game of brinkmanship has gone on for so long that there may be a danger of miscalculation. If there is one thing on which economists—in and outside the Government—agree, it is that the level of wage settlements must come down.

Indeed this is normally considered the *sine qua non* for the avoidance of a recession; yet the Government refuses to intervene in the dispute, saying that the freedom of collective



"We're out on strike"—in seven different languages. Daimler-Benz workers in Stuttgart.

bargaining is an essential part of the tradition on which West Germany has based its economic success. According to the Government, it is up to the negotiating partners themselves to recognise the changed economic situation and act upon it. Any suggestions of wage or price control are dismissed as having been shown to be unworkable elsewhere.

Thus the present strikes and negotiations are important for two reasons. The final settlement should have a considerable effect on the future of the economy, not least on the result of other wage negotiations coming up. And the outcome

should show whether the system of really free collective bargaining is still workable in times of economic stress.

The game at the moment requires fairly strong nerves both to watch and to play. The negotiations have been taking place at a regional level and at varying speeds in more than 20 different parts of the country, but they have moved fastest in the north of Baden-Wuerttemberg, where the strikes have already begun. In most areas the union put in its claim of between 9 and 11 per cent (according to regional conditions) towards the end of August in respect of contracts

due to expire on September 30. The claim was backed by an impressive array of statistics showing why the employers could afford it.

In the very first negotiations the employers refused to make any offer at all, till in Baden-Wuerttemberg they finally came up with 4.5 per cent to run for 12 months—an offer which was gradually repeated by employers all over the country. The procedure is that both sides negotiate until they both agree on a settlement, or decide there is no point in going further. In the latter case, they then call in a mediator who must be acceptable to both sides and

whose job is to try to produce compromise proposals.

In Baden-Wuerttemberg, after long consultations, the mediator proposed 7 per cent, to run for only seven months, by which time, he said, the economic outlook would be clearer. This was accepted by the union, but rejected by the employers who stuck to their original 4.5 per cent and called the proposals "wage floating". Even after the mediation has apparently broken down, however, both sides must wait six working days before declaring their final position. Only if there is still no agreement can the union go ahead and prepare for a strike.

the Baden-Wuerttemberg outcome.

The poker game continued. The union prepared strikes at the most vulnerable plants—where union membership was highest. On Monday about 50,000 men came out, mainly at Daimler-Benz and Audi-NSU. On Tuesday the number more than doubled and about 80 plants were affected. At the same time union leaders acknowledged that strikes were only an extension of negotiations by calling for a resumption of talks—though on the basis of the mediator's terms already rejected by the employers.

The employers still had cards of their own. On Tuesday they threatened a complete lock-out at all the metalworking plants in the area with a payroll of more than 100, to begin at midnight to-morrow. The lock-out would apply also to plants where there has been no strike action. The only terms on which the employers have said they will call it off are that the union simultaneously stops the strikes and agrees to new wage talks which would not be confined to the regional level and would include North Rhine-Westphalia, the largest industrial concentration in Germany, where there are 1.2m. metal workers. The union has so far rejected outright any idea of linking the regional negotiations together, and rejected the idea again to-day.

That is how it stands now. The one real sign that the

employers are prepared to give ground was a mediation procedure in the Hamburg region this week when they accepted a proposal of 6 per cent to run 12 months. It was rejected by the union, but the employers were acknowledging for the first time that the settlement will probably have to be at least equal to the current annual 6 per cent increase in the cost of living.

It looks like a head-on collision, and in a way it is. The lock-out may well go ahead, and the strikes spread to other areas. Yet it is a very reasonable bet that some time quite soon both sides will end the poker and agree on a settlement that both believe is compatible with economic growth and relatively high employment. The employers will believe it is a little too high and the union that it is a little too low, but in the end honour will have been satisfied on both sides.

Persuasion

If it all seems like reverting to the good old negotiating practice of splitting the difference and settling for 7 per cent, it is worth noting there have been no side issues. The union has simply thrown all its weight into persuading the employers to pay more than they originally offered, and the employers will have simply gone up to what they can afford. The concessions will almost certainly be honoured. It is not a bad case for free collective bargaining, or for that matter for German labour legislation.

Labour News

Toolroom peace after £50m. lost

MICHAEL HAND, LABOUR CORRESPONDENT

COVENTRY, Nov. 24.

POTENTIALLY most long strike in the engineering industry for many years was over here to-day by shop stewards representing more than 100 companies in the Coventry toolroom. After 10 one-day a week strikes over days after starting an official stoppage, local engineering leaders and stewards have accepted a pay agreement for the toolworkers.

The toolrooms manned from to-morrow there will progressive return by the car and engineering as laid off by companies as Chrysler, Massey-Son, Jaguar and Auto-Products. It may take the middle of next week normal working is resumed in all local factories.

dispute is estimated to cost the employers alone £50m. lost vehicle production retail value of around £42.36 by February. But there is no doubt that in plant bargaining the stewards will in many cases be able to push up earnings beyond this minimum level.

A joint employer-union review body is being set up to vet plant deals and to make sure that none fall too far outside the general pattern. The union wanted this safeguard to ensure that, in the absence of a district rate, the pay of less well-organised toolroom workers, particularly in the smaller companies, does not fall significantly behind the others. The union will in future calculate the district average itself.

Although the union lost its long battle to retain the Coventry toolroom agreement which had operated for 30 years, it wrung significant concessions from the employers on the present and future pay of the toolroom men.

The AUEW wanted to perpetuate the old and, say the employers, inflationary system of basing toolroom men's pay on the average received by the district's highly-paid pieceworkers on the production lines. This rate was calculated and published every month and quoted by union negotiators pursuing wage claims for many other sections of car and engineering workers.

When the employers stopped this system last August the rate stood at £40.80 a week. In order to make a change to the normal method of management and shop stewards negotiating the pay of toolroom workers—thus relating it to the conditions prevailing in their particular factories—the employers have had to guarantee there will be a minimum toolroom rate of £42.36 by February. But there is no doubt that in plant bargaining the stewards will in many cases be able to push up earnings beyond this minimum level.

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Port of London hit hard by strike and "demo"

ALEX HENDRY, LABOUR REPORTER

Port of London was practically at a standstill yesterday as a result of the strike by the union and the TUC demonstration about unemployment.

More than two-thirds of the ships in the docks were not worked, and fewer than 1,000 men out of a labour force of 10,000 were employed. The union's decision to accept the new agreement.

create more problems than it would solve. However, the decision of some TGWU stewards to support the "blue" union by instructing their members to observe NASD picket lines could develop into an untidy situation. It is breaking the agreement signed by the union with the employers and, in a sense, challenging the union's decision to accept the new deal.

More labour news on Page 28

BUILDERS ON 19-DAY TOUR OF FAR EAST

The National Federation of Building Trades Employers is organising a 19-day study tour next year to examine building projects and prospects in the Far East, including China and Thailand. Particular attention will be paid to studying the financing of building work, contract conditions, low-density housing, the use of specialist subcontractors, aids to productivity, site organisation and technical matters. Visits to construction projects are also included in the itinerary. Four days will be spent in each of the four main cities to be visited—Singapore, Hong Kong, Canton and Bangkok.

Downturn fears for chemicals confirmed by output report

BY JOHN TRAFFORD

MANY of the worst fears about the chemical industry are confirmed by figures published to-day by the Department of Trade and Industry.

Output has risen less than 0.5 per cent during the 12 months ended in September, which is no better than manufacturing industry as a whole. The return of the chemical industry to the ranks of average industrial performers is all the more significant by comparison with the 1963-70 period. In those years chemical output grew by 8.7 per cent, on average and never fell below 5 per cent.

Normally fast growing sectors such as organic chemicals and synthetic rubber have put up the worst showing. Organic chemicals output fell 3.5 per cent in the 12 months to end-June, 1971, mainly because of a weak performance by products not used as plastics and rubber intermediates.

Synthetic rubber, the sector

whose past growth has outstripped all the others, dropped 25 per cent during the same period, the sharpest fall anywhere in the chemical industry. The figures are partially cushioned by the fact that stocks were being built up in the first half of 1970 and run down in the first half of 1971 while demand grew at an annual rate of 5 per cent.

Production of inorganic chemicals, resins and plastics showed little change in the second quarter but pharmaceuticals, pesticides and photographic chemicals all advanced well.

Fuel costs up

While raw material and fuel costs rose on average by 9.5 per cent in the year to end-September, chemical companies experienced some difficulty in keeping their prices rising at a corresponding rate.

The average rise of 3 per cent in chemicals' selling prices disguises the fact that in some of

the most important sectors prices were planned down by serious overcapacity and rose very much less: plastics and resin prices went up by 3.4 per cent, synthetic detergents by 4.7 per cent, and organic chemicals by 6.1 per cent. Pesticides were the most sluggish of all with a price rise of only 2.0 per cent.

Imports by value rose only 4.5 per cent between the third quarters of 1970 and 1971 while exports advanced strongly by 22 per cent. Plastics, which have been flooding in over the U.K.'s relatively low tariff wall, were the only sector to show a big rise in imports while dyestuffs, pigments, toilet preparations, pharmaceuticals and soaps all benefited from a better export showing.

In the second quarter of 1971, fixed investment at 1963 prices was £66m, £2m. below the first quarter's figure. For the half year the decline was only slight, from £136m. in 1970 to £134m. this year.

Sharp rise in war risk rates for East Pakistan cargoes

BY JAMES McDONALD, SHIPPING CORRESPONDENT

THE War Risks Rating Committee of the Institute of London Underwriters has raised drastically, from yesterday, war risk rates on cargoes to and from East Pakistan and to and from the east coast of India, north of Madras. Also, rates to and from West Pakistan, the west coast of India and east coast of India up to Madras, have been increased.

Normally the war risk rate, world-wide, is 0.05 per cent (5p per £100) but recently the shipping risk rate for East Pakistan was raised to 0.25 per cent (25p per £100). Now this has been raised to £1 per cent. Moreover, this new high rate also applies

to cargoes to and from the east coast of India, north of Madras, where previously the rate was only 0.05 per cent.

In the western sector, the cargo risk rate for shipping has been raised from 0.05 per cent to 0.25 per cent (from 5p to 25p per £100 of cargo). This applies to West Pakistan, west coast of India and east coast of India up to and including Madras.

Mining of the approaches to ports in East Pakistan has caused serious difficulties and danger to vessels serving the ports. As from yesterday, the War Risks Rating Committee (AIR)

also increased its rates for sendings to and from East Pakistan and to and from Calcutta. For East Pakistan, the "war only" rate has been raised from 0.05 per cent to 0.25 per cent for war and strike, riot and civil commotion risks, from 0.375 to 0.625 per cent, and for postal sendings, from 0.4125 to £1 per cent.

The Calcutta air rates, for war only, have been raised from 0.05 per cent to 0.125 per cent, for war and strike, riot and civil commotion to 0.15 per cent, and for postal sendings, to 0.25 per cent.

Bradwell No. 2 reactor safe

BY DAVID FISLOCK, SCIENCE EDITOR

BRADWELL'S No. 2 nuclear reactor is not, after all, unsafe, the Government has decided. The chief inspector of nuclear installations has informed the Central Electricity Generating Board that this reactor can be returned to power.

The reactor was shut down abruptly on October 30 since when it has been costing CEGB £11,000 a day in replacement generating costs.

The shut-down was requested

by the Inspectorate of Nuclear Installations on the basis of measurements made during the summer of steel corrosion within the core of its twin, Bradwell No. 1 reactor.

More information
At the time, it appeared that the Inspectorate would require inspection of the suspected reactor—six months ahead of its next scheduled inspection. The CEGB has supplied more

information from its inspection last summer of No. 1 reactor, said the Department of Trade and Industry, and further clarification of queries raised by the Inspectorate.

The Inspectorate is now convinced there is no danger that the upper bands of the steel "girdle" encircling the graphite core may have become slack, through corrosion of the bolts in this structure. Any slackness in this "girdle" could jeopardise emergency shut-down procedures.

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COMPANY NEWS + COMMENT

Johnson Matthey first-half profit down

FIRST-HALF group pre-tax profit of The Johnson Matthey Group decreased to £2,065,151, compared with £3,700,823 for the corresponding period to September 30, 1970, struck after sharply increased debenture and other interest charges of £1,086,346, against £13,606. The new chairman, Lord Robens, makes it clear that last year's pattern of a fall in profits in the second half of the year is unlikely to be repeated this year. The pre-tax figure for the year to March 31, 1971, was £8,255,824.

An unchanged interim dividend of 24 pence is declared. The 1970-71 total was 121 pence. The business is that of gold, silver and platinum refiners, etc.

Wm. Cory half time setback

AFTER ALLOWING for a net deficit of £186,000 on Cory distribution services, net attributable profits of the Wm. Cory and Son group are sharply lower at £54,000, compared with £330,000 for the half-year ended September 30, 1971.

At the pre-tax level the first-half profit (excluding Cory distribution) came to £1,248,000, compared with £1,393,000, including share of associates' profits of £75,000 (£205,000).

Figures for the comparative half-year have been adjusted to reflect changes adopted when accounts to March 31, 1971, were prepared.

The directors explain that the deficit on Cory distribution results from a greatly expanded service coming into operation in June.

As regards the group's other trading activities they report that a lower profit from the fuel division, mainly attributable to coal, and from coastal shipping, is largely responsible for fall in profits. The extent to which profits from these activities will recover in the second half-

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normally the most profitable—depends to a considerable degree on the nature of the winter and the general level of industrial activity, state the directors.

Cory distribution services' forecast deficit for the year, including development costs, will be about £500,000 after tax relief. Nevertheless, if current rate of growth continues, as expected, the directors hold to their original estimate that a break-even position will be achieved in 1973-74.

Experience so far confirms that the plans for the business are along the right lines and when fully developed they feel that Cory Distribution will become a major group profit-earner.

To reduce disparity the interim dividend is raised 1½ pence, to 5 pence. A final of 10 pence is forecast to maintain the total at 15 pence. The pre-tax profit for 1970-71 was £3.3m.

Half-year	1971	1970
Group surplus	474	780
Associates share	1,248	1,393
Profit	1,722	2,173
Taxation	607	648
Minorities	12	12
Net balance	1,103	1,505
Carry over	186	186
Available	917	1,319

comment

Wm. Cory's setback surprised the market and the shares fell 3½ pence last night. However, the size of Distribution Services' loss was apparently roughly what Cory expected in view of this side's rapid expansion as it takes time for the new depots to reach profitability. In addition, an improvement by a wide spread of associate interests was insufficient to offset a decline in trading activities. Since the majority of profits is earned in the second half it is impossible to forecast the full-year of outcome. But taking Distribution's losses as forecast and assuming an unchanged second half by the rest of the group gives a prospective p/e of 17.7 (13 if the losses are excluded) and that looks high enough for the present.

First half profit fall by Maple

FROM increased sales of £6.3m. (£5.5m.) pre-tax profits of Maple and Co. were £170,000 in the 26 weeks to July 30, 1971, against £236,000 in the same period last year. For the year to January 29, 1971, pre-tax profit was £600,447 on sales of £12.02m.

Although the profit for the period is not up to the exceptional trading result achieved last year it is in line with the group's traditional trading pattern which is expected to continue for the full year, the directors say.

The interim dividend is held at 5 pence—previous total was 15 pence.

Half-year	1971	1970
Turnover	6,300,000	5,500,000
Profit before tax	170,000	236,000
Tax	68,000	107,500
Net profit	102,000	128,500
Preference dividend	30,000	30,000
Interim div.	50,000	98,500
Minorities	12	12
Carry over	186	186
Available	917	1,319

comment

On the face of it Maple looks to have had a disastrous first-half with pre-tax profits down by 53 per cent. But when considering that the comparable period was boosted by an exceptional number of orders on the international side the shortfall is not so significant.

can. Nevertheless, the Tottenham Court Road store has again had a bad period which together with a turnaround to losses at the Cheltenham factory explains the drop from 6.4 per cent. to 2.7 per cent. in margins. Some improvement, however, is envisaged in the depressed state of the comparable period, and the teary already lost could be recouped. But in view of the rather static trading position the shares on a p/e of 29 at 118 (down 10p yesterday) appear to be paying overmuch attention to the asset situation and in particular the Tottenham Court Road redevelopment possibility.

Tomkinsons raises dividend

PRE-TAX profits of carpet manufacturers Tomkinsons (Holdings) rose from £18,000 for 52 weeks to £55,000 in the year to October 2, 1971, and the dividend is lifted from 3.125p to 5p per 25p share.

At half-way, pre-tax profits had risen to £241,000 (£151,000). Depreciation charged for the year was £144,000 (£123,000).

52 weeks	1971	1970
Turnover	5,000	4,222
Trading profit	360	404
Investment income	11	23
Net profit	371	427
Profit before tax	392	428
Taxation	129	172
Dividend	123	133
Retained	263	253

Meeting, Kidderminster, February 15 at noon.

comment

After a 60 per cent. pre-tax jump at the half-way stage Tomkinsons' per cent. rise in annual pre-tax profits is roughly in line with market expectations and the shares rose 2p yesterday to 119p, against a 1971 low of 50p. The improvement in margins reflects increased concentration on cost control combined with the benefits of a recent productivity drive. Demand stayed at a reasonably high level throughout the year and the group's current order book is good. Given this and Tomkinsons' continuing expansion programme, the prospects for further growth in 1972 seem good. In view of this the shares on a p/e of 8.3 seem to have plenty of room for an upward re-rating.

2½% cut by Stag Line

GROUP TRADING balance of Stag Line amounted to £564,391 for the year to October 31, 1971, compared with a forecast of between £530,000—£580,000, and with £710,093 achieved for the previous year.

The dividend is reduced from 15 to 12½ pence with a final of 7½ pence. Last May the directors stated that it was intended to maintain the total provided the optimum trading profit was realised.

Pre-tax profit came out at £333,569 (£447,182) after depreciation £215,351 (£214,466), and tax equalisation account receives £120,000 (£140,000).

L. Holliday profits advance

PRE-TAX profits of L. B. Holliday and Co. advanced to £175,108 to £237,632 for the year to June 30, 1971.

The dividend on the £0.3m. privately held Ordinary capital of L. B. Holliday (Holdings) is doubled to 10 pence.

After tax of £97,261 (£83,000), net profit was £230,369 against £142,105.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding payment	Total for year	Total last year
Attock Oil	10	April 2	61	10	16.975
Ault & Wiborg	10	April 2	10	10	10
Bolton Textile	10	April 2	10	10	10
Camden Group	10	April 2	10	10	10
Cockledge	10	April 2	10	10	10
Wm. Cory	10	April 2	10	10	10
Dover Engineering	10	April 2	10	10	10
John Fokes Heft	10	April 2	10	10	10
Frederick Cooper	10	April 2	10	10	10
J. R. Fenner	10	April 2	10	10	10
L. B. Holliday	10	April 2	10	10	10
A.D. International	10	April 2	10	10	10
Johnson Matthey	10	April 2	10	10	10
London Prudential Trust	10	April 2	10	10	10
Man-Abell	10	April 2	10	10	10
Mansfield Brewery	10	April 2	10	10	10
Maple	10	April 2	10	10	10
New Broken Hill special	10	April 2	10	10	10
Powell Duffryn	10	April 2	10	10	10
Prop. & Reversionary	10	April 2	10	10	10
Randalls	10	April 2	10	10	10
Ruo Estates	10	April 2	10	10	10
Stag Line	10	April 2	10	10	10
Thomas Vale	10	April 2	10	10	10
Tomkinsons	10	April 2	10	10	10

* Equivalent after allowing for scrip issue. † Amount per share.

(a) Tax free. (b) On capital increased by rights and/or acquisition. (c) Not to indicate higher total. (d) Minimum 17 per cent. (e) Total of 10½ per cent. indicated. (f) To reduce disparity—maintained total forecast. (g) Under scheme of arrangement.

Camden profit expansion

M.R. H. D. MICHAELS, chairman of The Camden Group, states that group pre-tax profit for the year ended September 30, 1971, will be not less than £30,000, compared with £183,781 for the previous year.

The increase has been achieved in spite of continued restrictions in the supply of new vehicles and the high cost of borrowing.

Both factors particularly affected the rental division. Despite this profit of the division increased by more than 50 per cent. and the directors are budgeting for a further increase in the current year.

The difference to the group on interest charges based on the rates payable to-day and those paid throughout the year would have shown a saving of approximately £25,000.

Hire purchase profits were also higher, and the recent easing of controls is having a beneficial effect on current sales, which should be further improved by the prospect of better industrial relations in the motor industry, the chairman adds.

As intimated last May, it is intended to recommend, in due course, an increased final dividend of 12½ pence (absorbing £37,991) making 20 (16) pence for the year.

comment

Camden Group has risen from 39p to 48p over the last month in anticipation of good 1970-71 results and the outcome did not disappoint. The rental division (over a half of total profits) has again been the front-runner and a helpful factor seems to have been the firmness of used car prices. The car sales side, however, has turned in virtually unchanged profits though the comparatively small HP division did better—particularly towards the end of the year. Lower interest rates should make a lot of difference in the current year and, over the longer term, Camden is confident that it can hold its own against competition from the majors in contract hire. In any event the market is still rating the group at a discount to the sector on a p/e of 10½.

McKechie's outlook

First quarter sales and profits of McKechie Brothers are in line with the 1970-71 performance and the directors expect to produce again a satisfactory report in 1971-72," says the new chairman, Mr. K. M. Leach. The company manufactures non-ferrous metals and chemicals.

As reported on October 28, group pre-tax profit for the year to July 31, 1971, was £5,905,129.

ISSUE NEWS

Arthur Bell offer brings in £56½m.

Morgan Grenfell and Co. announces that in respect of its offer for sale of 2.5m. Ordinary 50p shares in Arthur Bell and Sons, 10,906 applications were received for a total of 43,360,300 shares. In addition 99 applications were received from employees on preferential forms for a total of 86,900 shares and these applications have been accepted in full. In view of the heavy over-subscription applications from the public for up to and including 5,000 shares will go to ballot and applications successful in the ballot will be accepted on the following basis:

Applications	Accepted For
up to 1,000	100 shares
1,000 to 5,000	200 shares
5,000 to 10,000	300 shares
10,000 to 15,000	500 shares
15,000 to 20,000	750 shares
20,000 and over	About 5% of amount

Letters of acceptance will be posted by Saturday, and dealings will commence on Monday.

BAXTER/TRANVONOL

The 375,000 shares of Convertible Preferred Stock (First Series of \$1 par value) in Baxter/Travonol International Capital Corporation have now been sold. The shares which are convertible into Common stock and are guaranteed by Baxter Laboratories, Inc., are being sold by a group headed by Merrill Lynch, Pierce, Fenner and Smith, White, Weld and Co., Banque de Neufchâtel, Schlumberger, Mallet, Swiss Bank Corporation and S. G. Warburg and Co.

PENNINE MOTOR

Pennine Motor Group announces that in respect of the rights issue of 500,000 shares of 10p each at 17½p each applications were received for 572,204 shares and applications for additional shares totalled 250,775. Allocation to Ordinary holders is in full, and applications for additional shares will get a 6.85 pence allocation. Allotment letters and refund cheques will be posted to-morrow.

HONEYWELL CAPITAL

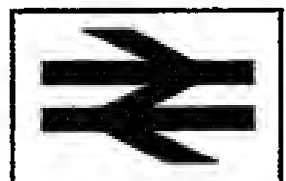
The \$50m. 6 per cent. subordinated guaranteed convertible debentures due 1988 in Honeywell Capital have now been sold. The debentures, which are guaranteed by the parent company were underwritten by a group which was headed by White, Weld and Co., Eastman Dillon, Union Securities and Co., and S. G. Warburg and Co.

TRINIDAD CANADIAN OILS

The directors of Trinidad Canada

OFFICIAL QUOTATIONS

Permitted to deal in and quotation for the undermentioned securities has been granted—
Amey Group—After allotment, 1,000,000 New Ordinary shares of 25p each, fully paid.
Associated Development Holdings—After allotment, 100,000 Ordinary shares of 25p each, fully paid.
Bell (Arthur) and Sons—After acceptance, 500,000 Ordinary shares of 50p each, fully paid.
Brooks Thomas Group—From November 23, 6,000,000 Ordinary shares of 25p each, fully paid.
Banco Deas—33,000 Ordinary shares of 25p each, fully paid.
Canadian Pacific—2,500,000 7½ per cent. Cumulative Redeemable Preferred shares, Series "A", of \$2.14 each, fully paid.
Hanson Trust—1,250 Ordinary shares of 25p each, fully paid (ranking for dividend from October 1, 1971).
Hatchings—1 Co., 3,500 Ordinary shares of 25p each, fully paid.
Lewis and Peel—After allotment, 5,000 "A" Non-Voting Ordinary shares of 25p each, fully paid.
Longtin Transport (Holdings)—After acceptance, 1,675,250 Ordinary shares of 25p each, fully paid; 2m. New Ordinary shares of 25p each, fully paid.
Lorha—1,614 Ordinary shares of 25p each, fully paid.
Provident Clothing and Supply Company—2,000 Ordinary shares of 25p each, fully paid.
Rea—36,000 shares of 10p each, fully paid.
Smurfit (Jefferson) Group—After allotment, 50,000 Ordinary shares of 25p each, fully paid.
Telefonos—1,530 "A" (Non-Voting) Ordinary shares of 25p each, fully paid.
Towns and City Properties—After allotment, 1,833,310 Ordinary shares of 10p each, fully paid; 2,033,000 Ordinary shares of 10p each, fully paid (ranking for dividend from April 1, 1971).
Permission to deal in and quotation for the undermentioned securities has been granted:
Anderer (Borough) £1—£500,000 5½ p. Bonds, November 28, 1972, fully paid.
Holehead Urban District Council £2 6d 6½ p. Bonds, November 28, 1972, fully paid.
Norton (Borough) £1—£500,000 5½ p. Bonds, November 28, 1972, fully paid.
Inverness County Council—£500,000 5½ p. Bonds, November 28, 1972, fully paid.
Inverness-shire Water Board—£500,000 5½ p. Bonds, November 28, 1972, fully paid.



\$50,000,000 British Rail Engineering Limited

7 year Credit Facility guaranteed by British Railways Board

This Credit Facility is being provided by

The National Westminster Bank Group
Orion Termbank Limited
The Chase Manhattan Bank N.A.
Bank of America Limited

This Credit Facility has been arranged by the Orion Banking Group



Company Investment

A few facts of considerable interest to every company

The Target Preference Share Fund provides a franked income of over 5½ per cent. per annum. Allowing for Corporation Tax at 40%, that is actually equivalent to a return of over 14½% from a Government Security, debenture or loan stock. And in the case of a "growth" portfolio of ordinary shares yielding 3½ per cent. per annum, the portfolio would have to grow by an average of nearly 9½ per cent. per annum before the total net return to a company equaled that from Target Preference Share Units.

Point Taken?

If you would like some further revealing facts about this highly practical investment, you only have to ask. And it's certainly worth asking right away—because the present moment could well be a particularly attractive opportunity for companies to invest long-term reserves in the Fund.

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DS AND DEALS

Possible £4m. Orme offer for Drury

Developments, the house-
s concern Mr. Bob Tanser
r. Tony Whitfield brought
market only 16 days ago.
ed yesterday it might
a bid worth £4.2m. for
Holdings, estate developers
at Leicester.

compares with Orme's
market capitalisation of
£5.2m.—the shares rose 5p
after the news last night,
them a 100 per cent. pre-
over the offer price of 70p.
Orme has acquired 51
nt of Drury from former
rs and their families at
share and said discussions
ing on "which may lead to
er of the two companies".
night the Drury shares
15p up at 51p.

INDONESIAN
ANTATIONS

to-Indonesian Plantations
as that compensation
for the transfer of its
p in Java to the Indonesian
ment will be a cash pay-
of \$US\$1m, payable in three
annual instalments; a grant
of 62,500 acres of land in
ra at no cost to Anglos-
ian; and creation of a com-
pany jointly owned with the
Indonesian Government to
e and develop four exist-
ates in Java.

to-Indonesian directors say
eise value of the conces-
anted under the compari-
terms in addition to the
ayment of \$2m. is difficult
ulate. However, they con-
t that the four estates in Java
improved significantly with
of modern techniques and
rth considerably more than
ure placed on them.

first cash instalment re-
e way of compensation
e used for diversifying busi-
side Indonesia, probably
U.K. The second and third
ments, however, are to be
ed in Indonesia.

RRISON & SONS

rrison and Sons has decided
develop some of its land at
which is at present utilized
victory accommodation for
is group activities. This free-
land, together with other
occupied by the group at a
of £13,070 annually on an
ing site at Hayes, has been
to Sun Life Assurance
y.

company will lease-back
lands comprising in all 6.0
and will build a fully
ped factory. The lease will
35 years at rent of £107,400
ly with reviews every seven

Life has entered into a com-
nt of £1,125,000 which will
id up as follows—£275,000
he purchase of land from
company; £275,000 for the
e of adjoining land; and
er deducting the cost of the
ng works and professional
the balance will be paid to

RECENT ISSUES

EQUITIES

Stock	1971	High	Low
Anglo-Am. Asphalts	135	88	118
Anglo-Am. Ind. (P)	131	88	118
Anglo-Am. Ind. (P)	131	88	118
Anglo-Am. Ind. (P)	131	88	118
Anglo-Am. Ind. (P)	131	88	118
Anglo-Am. Ind. (P)	131	88	118
Anglo-Am. Ind. (P)	131	88	118
Anglo-Am. Ind. (P)	131	88	118
Anglo-Am. Ind. (P)	131	88	118
Anglo-Am. Ind. (P)	131	88	118

FIXED INTEREST STOCKS

Stock	1971	High	Low
Alkali London	274	85	100
Alkali London	274	85	100
Alkali London	274	85	100
Alkali London	274	85	100
Alkali London	274	85	100
Alkali London	274	85	100
Alkali London	274	85	100
Alkali London	274	85	100
Alkali London	274	85	100
Alkali London	274	85	100

"RIGHTS" OFFERS

Stock	1971	High	Low
Anglo-Am. Asphalts	135	88	118
Anglo-Am. Asphalts	135	88	118
Anglo-Am. Asphalts	135	88	118
Anglo-Am. Asphalts	135	88	118
Anglo-Am. Asphalts	135	88	118
Anglo-Am. Asphalts	135	88	118
Anglo-Am. Asphalts	135	88	118
Anglo-Am. Asphalts	135	88	118
Anglo-Am. Asphalts	135	88	118
Anglo-Am. Asphalts	135	88	118

termination date usually last day for dealing free of stamp duty. of Placing
to public. b Figures based on prospectus estimate. c Dividend rate paid at
ile on part of capital cover based on dividend on full capital. d Figures
on prospectus or other official source for 1970. e Price unless otherwise
indicated. f Issued by tender. g Offered to holders of Ordinary shares as a
dividend. h Issued by way of rights. i Rights by way of capitalisation. j Tender
most price. k Redeemed. l Issued in connection with management of shares
takeover. m Privately quoted. n Introduction. o Issued to former
shareholders. p Deal in under Special Rule. q Price at time of suspension.

Materials). (Building
the architectural iron-
mongery part of the business
comprising assets amounting
to approximately £150,000.

Consideration for the purchase
of Warsaw will be based on the
audited accounts as at November
30, 1971. Total payable is estimated
to amount to approximately
£420,000 based on an estimated
net tangible assets as at
November 30 of £230,000 and good-
will of approximately £200,000.

Pre-tax profits of Warsaw
amounted to £24,186 for 1970 and
£24,838 for the six months to June
30, 1971, of which latter amount
it is estimated that 80 per cent.
was attributable to the cabinet
hardware side.

GRIMSHAW BUYS
INTO REFUGEE

P. R. Grimshaw and Co. has
acquired a total of 230,000 10p
Ordinary shares in Refugee
Securities at prices between 62p
and 84p, from certain
directors, their families and
on the market, representing 11.2 per
cent of the capital of Refugee.

Refuge has appointed Grim-
shaw to provide financial and
banking services to the company
and will also invite Mr. Peter
Grimshaw to join the Board.

CEYLON TIMBER-
PELMADULLA

The Board of Ceylon Timber
and Rubber Syndicate has been
notified by Pelmadulla Holdings
that its offer will be varied so as
to include, in addition to the terms
already published, an alternative
all share option.

This will be on the following
basis: For every 15 shares of 10p
each of Ceylon Timber, one fully
paid share of £1 of Pelmadulla.

The Board of Ceylon Timber
considers that as there are now
two competing bids, one for cash
and the other which may now be
taken entirely in equity, share-
holders should take no action
until the offer documents for each
offer are issued. These will be
despatched to Ceylon Timber
shareholders as soon as possible.

When the offer documents have
been issued, the Board will con-
sider both offers and expect to
make a further announcement to
shareholders.

CNA INVESTMENTS

Discussions are taking place to
enable CNA Investments to ac-
quire all the shares of Glens
(Proprietary) of Johannesburg, a
national distributor of electronic
sound and video equipment and
small domestic electric appli-
ances.

An agreement will shortly be
signed subject to suspensive con-
ditions which both CNA and
Glens believe will be met. A
further announcement will then
be made.

JONCRAIG

Joncraig Holdings has acquired
the leases and main assets of a
group of ladies' wear retail shops
at present trading under the
names Terla and Katy for a net
consideration of £51,000 cash
which approximates to the net
asset value.

The shops are situated in
premier trading positions
throughout London and the Home
Counties.

NO PROBES

The proposed acquisition by
Cavendish Stores and
Wright's Biscuits, and the pro-
posed merger of the milling, bak-
ing and animal feed interests of
Spillers and J. W. French (milling
and baking) will not be referred
to the Monopolies Commission.

KLEINWORT BENSON

In a £278,500 cash deal, Klein-
wort, Benson Lonsdale Green has
acquired the cocoa division of
Henry Gardner and Co. and
on December 1 will purchase
Gardner's produce broking sub-
sidiary, Marshall, French and
Lucas. Gardner is a subsidiary of
Amalgamated Corporation, itself
controlled by Consolidated Tin
Smelters for which Ralli Inter-
national has just made a bid.

Gardner's cocoa division, to-
gether with Kleinwort's own cocoa
business, will from December be
operated by Lonsdale's commodities
subsidiary, Fendrake.

MACLEHOSE GROUP

The directors of Maclehoose
Group wish it to be known that,
while they have received tentative
approaches with a merger in some
form as a possible outcome, they
have not received any proposals.
Furthermore, they emphasise

IN BRIEF

BRADIS (shoeleather makers)—Dividend
15 per cent. (10 per cent.) making 15
per cent. (25 per cent.) for year to
September 30, 1971. Profit before tax
£23,056 (£28,508). Net profit £15,993
 (£24,315).

S. CASKEY (HOLDINGS)—Cleaning
manufacturers, distributors and retailers.
—Results for year to June 30, 1971, with
one-for-one scrip repurchase of 100,000
shares, £275,000 (£151,500). Net
current assets £225,731 (£171,420). Meet-
ing, Manchester, December 15 at
2.30 p.m.

WILLIAM COOK AND SONS
(SHEFFIELD)—makers of steel castings
—Interim 7 per cent. dividend per
share (100p) for year ending March 25,
1972. Profit before tax for the half year
ended September 30, 1971, amounted to
£70,825.

FOURTH CITY AND COMMERCIAL
(INVESTMENT TRUST)—Results for year
to June 30, 1971, reported November 16.
Investments £11,335 (same) value
£11,181 (£17,286) and unquoted £28,000
(same). Directors' remuneration £12,000
(same). Meeting, 1, Old Burlington, W.1,
December 15, noon.

JESSUP (HOLDINGS)—Retail, Ref-
ford and Optic main dealers—Results, year
to August 31, 1971, and observations on
prospects reported November 15. Group
gross assets £54,844 (£58,618). Net
current assets £24,221 (£25,528). Meet-
ing, Manchester House, E.L. December 17,
noon.

PALABORA MINING—Dividend No. 15,
being third interim for 1971, of 15 cents
per R1 share. Warrants will be posted on
or about December 24.

SCOTTISH—Dividend 27 per cent. already
announced for 1970 will be paid on
January 17.

THOMAS VALL AND SONS (civil en-
gineers and mechanical contractors)—
Interim dividend 2 per cent. (total to
4.44 per cent. and total equivalent 14.22
per cent.) for 1971. Trading profit for
six months ended September 30, 1971,
from building, construction and sand and
gravel extraction £11,588. Investment in-
come and profits on securities
£10,000 (£10,000). £25,480 having £14,500,
has interest charges £10,700. Pre-tax
profit £14,789. No comparative figures
for the period in 1970.

Group profit after interest charges and
before tax was £12,379 for 1970. As
already reported, November 16, 1971,
£12,379. The company has decided to
make an offer to acquire all
the issued Ordinary share capital of
Vale not already owned by Lewson and
Vale shareholders when the offer documents
have been issued.

MINING NEWS

Nchanga maintains
copper sales

COPPER production at the
Nchanga Consolidated group of
Zambian mines was well main-
tained in the September quarter
at 97,051 metric tons to make a
six-month total of 196,665 tons.
Sales in the past quarter were
102,831 tons, making 209,632 tons
for the half-year.

In addition, Nchanga, which is
51 per cent. owned by the
Zambian Government and 49 per
cent. by Zambia Copper Invest-
ment, sold 21,889 tons of lead
and 13,631 tons of zinc in the past
three months.

In line with the world trend in
copper prices, the company re-
ceived an average of K740 (£451)
per ton during the September
quarter. This compares with £445
at the other Zambian group, Roan
Consolidated Mines, and it brings
Nchanga's average for the six
months to K770 (£460). The
latter's dividend distribution for
the half-year amounts to R17m,
net compared with R15m for the
previous 15 months.

Palabora

Costs are relatively high at the
Zambian mines, running at some
£300 per ton in the case of the
RCM group, and the fall in the
metal price to around £400 per
ton is naturally causing some con-
cern. In South Africa, however,
the Rlo Flinto-Zinc group's big
Palabora operation has the advan-
tage of lower costs—about £150
per ton of anode copper—
although it also has to live with a
lower ore grade.

The latter is now declaring a
third interim of 15 cents (8.4p)
for 1971. This makes a total to
date of 45 cents compared with 63
cents at this time a year ago
when the total reached 67 cents.
Palabora were 10p up at 283p
yesterday.

NEW B. HILL

The Supreme Court of Victoria
has approved the deal for merg-
ing the lead-zinc-silver interests
of New Broken Hill with those of
Comstar Rietveld of Australia and
the relevant scheme of arrange-
ment is expected to become effec-
tive on November 28.

As a result, New Broken Hill
has declared a special dividend of
10 cents, or 4.44p which will be
paid on December 17. As already

announced, each share in New
Broken Hill is to be exchanged for
three shares in the new NBHC
Holdings. Application has been
made for a listing of the latter on
the Australian and London Stock
Exchanges. Trading in the shares
is expected to start on November
29 following the end of dealings
in New Broken Hill on November
26.

POSEIDON SAYS
NO DELAY

It is reported from Sydney that
Poseidon's director, Mr. Basil
Lewis, has denied suggestions that
the company's Mount Windsor
nickel production plans could be
deferred for two years to 1974.

The denial followed a comment
by the Western Australian
Minister for Development and
Decentralisation, Mr. Herbert
Graham, that he would be "dis-
appointed, but not surprised" if
Poseidon deferred production.

Mr. Lewis said the joint venture
partners had only recently con-
cluded that underground develop-
ment work must continue at
normal rates and that marketing
arrangements should continue as
planned. Poseidon were un-
changed at 530p yesterday.

MINING BRIEFS

GOLD AND BASE METAL—October:
last month concentrates (70 per cent.
grade): Tin 33 tons, Columbite 5 tons.
Ten months to date 473 tons, colum-
bite 31 tons. Same period 1970 tin 326
tons, columbite 31 tons.

MIN HOLDINGS—Following 18 per cent.
cut in lead production announced on
November 16, the company announced
that effective November 23 mine pro-
duction at Mount Isa has been reduced to
a rate of 8,000 long tons of lead per
four-week period. Zinc and silver output
is reduced proportionately. The policy of
selling silver at approximately the rate of
mine production is to continue for the
time being on the basis of the above
reduced production.

HUDSON'S BAY
Hudson's Bay is to bid \$6 cash
for each of the outstanding com-
mon shares of A. J. Freiman of
Ottawa. Holders of 70 per cent.
off Freiman shares have agreed to
accept.

Freiman operates three depart-
ment stores and two discount
department stores in Ottawa
metropolitan area.

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Executives

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almost instantly, so that completion is
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the management team that co-ordinates
them all. In fact, we've got all the
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COMPANY NEWS

Powell Duffryn first half upsurge

FIRST HALF group pre-tax profit of Powell Duffryn expanded from £1,350,000 to £1,820,000. Chairman, Sir Alec Gellie, says that maintaining the better trend in the oil year will depend on the oil price, but he expects the company's performance to be better than last year's. The interim dividend is increased from 3 to 4 pence, but Sir Alec points out that this should not be taken as an indication of an overall increase in the company's performance. For the year to March 31, 1971, a total of 13 pence was paid from a profit of £2,435,000.

Exceptional items have been included in the half year results, including about £5m. net surplus on the sale of S. Great Tower Street, last May.

Sir Alec remarks that the re-organised Hy-Mac company is still producing "substantially better results" despite the continuing depression in the construction equipment market.

The engineering divisions have produced considerably improved results, but profit of some other divisions, including shipping, was hit by adverse trading conditions.

Mansfield Brewery profit up

COMPARED WITH an adjusted £502,000 profit before tax of the Mansfield Brewery has increased to £663,000 in the half-year ended September 30, 1971.

An unchanged interim of 3 pence is declared—total for 1970-71 was 14 pence, paid from profits of £1,066m.

After tax of £266,000 (£205,000) the first-half net profit came to £397,000 (£297,000).

Man-Abell progress

On sales of £1,206,000, against £1,106,000, group pre-tax profit of Man-Abell Holdings, quarry owners and brick manufacturers, increased slightly from £80,800 to £84,200 for the half-year to September 30, 1971. Figures for the year to March 31, 1971, were £268,000 and £224,000.

Chairman Mr. R. S. Barlow stresses that a hard winter, and more especially long periods of rain, can have serious effects on

final profitability. However, bearing in mind this factor and the future order-book position, the directors have recommended an increased interim dividend of 4 pence, (3 pence). The 1971 total was 12 pence.

The first six months shows that the recovery in the fortunes of the company is a continuing one. One of the most satisfactory aspects of this progress is the vastly improved liquidity. Wincote Brick Company is now proving itself a valuable and profit-producing unit and the demand for its products has exceeded expectation, the chairman adds.

First half upturn by Attock Oil

AN INCREASE from £535,000 to £579,000 in profit, before depreciation and tax, is reported by Attock Oil for the first half of 1971.

An unchanged interim dividend of 6 pence is declared—for 1970 a total of 16.875 pence was paid from trading profits of £1,414m.

Production of crude oil from all fields totalled 84,898 barrels (194,025 barrels). Production from the subsidiary Pakistan Oilfields was 48,468 barrels. Refinery throughput amounted to 1,515,371 (1,640,133) barrels. Completion of Pakistan Oilfields Methyl Well No. 2 has been retarded by mechanical difficulties, state the directors.

First-half tax takes £233,000 (£230,000). The directors point out that the profit figures do not include any dividend from Pakistan Oilfields.

At least 17% by Property & Reversionary

Property and Reversionary Investment Corporation is raising the interim dividend from 31 pence to 3 pence, and the Board anticipates a final of not less than 12 pence, making 17 pence for the year to March 31, 1972, against 15 pence in 1970-71.

Income for the six months to September 30, 1971, was up from £296,905 to £426,187 and pre-tax profits rose to £294,068, against £153,391.

Pre-tax profits for 1970-71 totalled £402,033.

	1971	1970
Rents less property	329,678	261,378
Other income	25,112	21,327
Total	354,790	282,705
Administration, etc.	40,871	37,343
Interest	583	610
Interest payable	96,703	102
Profit before tax	294,068	153,391
Minority credit	219	147
Attributable	294,287	153,538

* Including interest applicable to properties in course of development £12,400 (£12,320) including £43,327 dealing profit. £12,400.

Directors say the present increase in the interim is designed partly to bring it more into line with the final dividend.

Randalls to earn and pay more

Considerably increased profits and a higher dividend for 1971 are forecast by Randalls Group, wholesale distributors to the building, engineering and electrical industries.

The interim dividend is raised 2 pence, to 8 pence, and the directors expect to pay a final above last year's 8 pence.

First-half sales rose from £3,55m. to £3,81m. and the profit from £24,649 to £26,881, subject to tax £20,732 (£14,809).

Current conditions indicate that 1971 will show a considerable increase over 1970 and there are good prospects that performance will show further improvement in 1972.

10% more by Ruostes

Ruostes Holdings is raising its dividend from 25 pence for the year to June 30, 1971 with a final of 17 pence.

Net profit increased from £51,437 to £114,312, after tax of £70,918 (£39,478).

APPOINTMENTS

Mr. Hynes to be director-finance of Rolls-Royce

Mr. Michael Hynes has been appointed director-finance of ROLLS-ROYCE (1971) from October 6 and will be based at the head office in London.

He is at present a director of IBM United Kingdom and its associated companies and will relinquish those positions on taking up his new post.

The post of director-finance is one of a group of senior executive positions reporting to the deputy chairman and managing director, Mr. Ian T. Morrow.

Mr. Hynes joined IBM United Kingdom in 1955 and became controller in 1961, responsible for the management of finance and accounting of IBM in Britain.

In 1964 he was appointed director, finance and administration, and in 1970 director of staff which entailed functional relationships with the IBM parent company in the U.S.

Management changes in IBM UNITED KINGDOM resulting from Mr. Hynes's appointment are Mr. B. L. Petch to be director of finance, and Mr. L. B. Pears, director of personnel. Both will become members of that company's management committee.

Mr. Donald D. M. Deoberty has been appointed project manager of the HUNTERSTON DEVELOPMENT COMPANY.



Mr. Michael Hynes

Mr. Jeremy Leighton has been appointed head of the CITIZENS ADVICE BUREAU SERVICE from March 1.

Mr. William S. Brown has been appointed an executive local director.

tor of the London Eastern District of BARCLAY'S BANK.

Mr. G. A. Howard has been appointed brewing and research director of ALLIED BREWERIES (PRODUCTION) from December 20. The position of process research director will be discontinued.

From the same date Dr. R. D. Hall will take over the responsibility for overseas technical services in addition to his duties as special projects director.

Mr. Colin J. Mason has been appointed group purchasing manager of REOMAN HEENAN INTERNATIONAL.

Mr. Alan S. Pegley, chairman and managing director of Central News (City Advertising), has been appointed a director of OORLAND (CITY) and Mr. J. A. Sagnall (Smith) has resigned as chairman and director.

Mr. John Morgan has been appointed chief executive of EXCHANGE AND MART, the classified and mail order weekly. Mr. Leonard Hummings, previously group advertisement manager, has been appointed commercial manager.

Mr. James Kane has been appointed managing director of CROSFIELDS AND CALTHROP (SCOTLAND). He was formerly with Transflex Services.

Mr. Dennis Stevenson has been appointed chairman of Aycliffe and Peterlee Development Corporation following the resignation of Mr. T. Don Smith.

Mr. M. R. Black and Mr. S. Hobbs have been appointed to the Board of SMITH'S SECTIONS, a subsidiary of Midland Aluminium.

Mr. Tom Price has been appointed a director and general manager of STANTON COMMERCIALS, part of the J. and H. B. Jackson group, from December 1. He was previously service director at Henly's Coventry.

Mr. E. C. Skelding has been appointed to the Board of ASSOCIATED SPRAYERS.

Mr. Patrick Macrory, a member of the Court of the Bank of Ireland, has been elected a non-executive director of CARRERAS.

Mr. R. H. Hewitt, formerly financial executive director of TELEPHONE RENTALS, has been appointed a full member of the Board. Mr. R. A. Sly, the group's general manager (field) becomes an executive director.

Mr. R. D. McDougall has resigned from the Boards of DRAPEES and DOWGATE AND GENERAL INVESTMENTS. Mr. G. H. Cammille has been appointed a director of the latter company and also becomes chairman.

£8.6m. Post Office order for Plessey

BY GEOFFREY CHARLISH

THE POST OFFICE has placed orders with Plessey Telecommunications worth £8.6m. for exchanges, telephone exchanges and extensions.

The order follows a few weeks after a £10m. Post Office deal with STC for the new reed electronic exchange, TXE4, and indicates that the U.K. network is now moving into a period in which Strouger, Crossbar and reed electronic systems will be ordered in quantity and will work side by side.

The Plessey contract provides for the installation of a new sector switching centre for the London Telecommunications Region and for 26 other new telephone

exchanges each having between 1,000 and 8,000 subscriber lines. A further 22 exchanges will be extended and in all the contracts signify a further 104,000 new lines throughout the country.

The sector switching centre, to be built at Kingston, will provide junction and trunk switching facilities for routing telephone calls from surrounding exchanges in the south west sector of London to other parts of the country.

All the equipment will be built in the Plessey 500A system which offers, in common with all Crossbar systems, faster switching, easier maintenance and an ability to search of its own accord for a path through the exchange if the lines are heavily engaged.

Smaller firms' problems to be aired

THE PROBLEMS of the smaller company as seen by the Bolton Committee, whose report was published earlier this month, will be the subject of a conference in London on Tuesday arranged by the Charterhouse Group and International Business Communications.

The conference will be chaired by Mr. John Bolton, who headed the Government committee, and Mr. Robert Beldam, chairman of the CBI's Smaller Firms Council. Mr. Nicholas Ridley, to whom the Government has delegated responsibility for Small Firms at the Department of Trade and Industry, will give a short address.

Speakers will examine the findings of the two-year inquiry. Mr. Michael Levete, chief marketing executive of Charterhouse Finance Corporation, will talk about sources of finance open to the private company, and David Gottlieb, a tax expert, will give some ideas on how "to make the best of a bad deal" from the taxation authorities.

Other speakers are: Mr. James Morrell, economic adviser to Charterhouse and Management Today; Mr. A. D. C. McKie, assistant general manager of Leeds Bank; Mr. W. J. R. McEwan, director of the finance division of P.A. Management Consultants; Mr. Richard Strong, director, Charterhouse Development; and Mr. John Waters, adviser to the Industrial Society.

Swan Hunter delays tanker delivery date

SWAN HUNTER, the North-east coast shipbuilders, is not now expected to deliver the new 250,000-ton tanker, Texaco Great Britain, to Texaco Overseas Tankships, London, until well into December. The builder had expected to hand it over this week.

This delay follows the accident aboard the vessel during trials in the North Sea last week when the casing of a cargo pump turbine disintegrated, killing one man and injuring three others.

The Texaco Great Britain is in the Forth, where she ran for shelter from week-end storms, and some forecasts say it could be another two or three weeks before she is ready to resume trials.

DITTON BY-PASS TO OPEN ON DEC. 7

Ditton by-pass—6½ miles of new motorway connecting the western end of the Maidstone by-pass with the A20 at Wrotham Heath—is being officially opened to traffic on Tuesday, December 7, ahead of schedule.

The 6½ m. road was designed by and built under the supervision of the S.E. Road Construction Unit, Kent Sub-Unit. Contractors were Costain Civil Engineering.

CREDIT CARD MOVE Britain's biggest independent airline, British Caledonian, is now accepting the American Express card on its international and domestic network. An official said that the agreement meant that virtually every major airline in the world now accepted the card.

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The Chairman is Sir Hugh Weeks, Chairman of Leopold Joseph and Sons Limited.

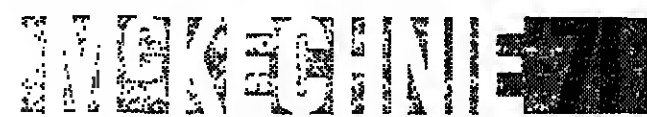
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- * **UNITED KINGDOM** We have continued with the broad strategy of widening the base of our operations and encouraging the growth of activities outside our traditional business.
- * **OVERSEAS** Our South African Companies suffered a small decline in profits but their activities continue to expand and the longer term outlook remains good. In New Zealand, profits were lower but we look to an improvement in the current year. We have acquired an 80% interest in an Australian plastics company which we plan to use as a base for development.
- * **PROSPECTS** We expect to produce again a satisfactory report in 1971/72.

From the annual statement of the Chairman

K. M. Leach.

COMPARATIVE RESULTS	Year ended 31st July	
	1971	1970
	£	£
Group profit excluding metal account	5,905,129	6,238,477
Group profit after tax	3,493,102	3,623,118
Group profit applicable to holding company	2,386,511	2,599,396
Ordinary Dividend	1,303,446	1,291,020
	16%	(equivalent)
Capital employed	30,584,000	28,410,000

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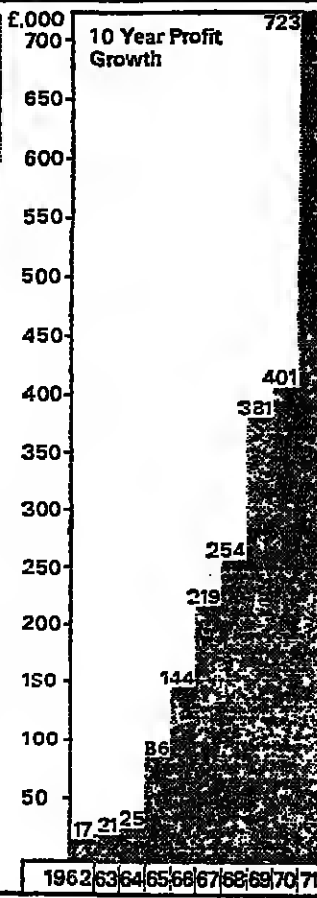
Barratt Ltd DEVELOPERS

Results for the year ending 30th June 1971

	1971	1970
Turnover	3,597,606	1,924,219
Profit before taxation	722,710	401,654
Profit after taxation	434,710	247,654
Profit for year retained	287,910	152,704
Earnings per share	8.7p	5p
Dividend Cover	2.2	1.6

Salient points from the annual statement of the chairman Mr. L. A. Barratt.

- * Record results for year showing increase of 80% in trading profits over previous year.
- * Successful penetration of private residential sector resulted in almost trebled house sales.
- * Dividend increased to 40% for year against 30% last year.
- * Scrip issue of 1 share for each 4 shares now held. Board to maintain the present dividend on the increased capital.
- * Excellent land holdings for residential and commercial developments increased during year.
- * Board confident of further progressive growth in current year.



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WATER SUPPLIES AND DESALINATION

Financial Times Survey

Coping with a growing demand

By Sir WILLIAM GOODE, Chairman, Water Resources Board

Estimates of the future demand for water in Britain consistently indicate that this will double within the next 30 years. This assessment, which was first put forward some years ago, is now generally accepted.

As long as water is as naturally plentiful and as cheap as it is today, demand for it must increase. It is not only more bathrooms and washing machines and garden hoses which call for more and more domestic water supplies. Industry uses gargantuan quantities of water for manufacturing processes, for washing, for conveyance of waste products and for cooling.

Can the demand be met, and can it be met without unacceptable cost or serious harm to Britain's countryside?

The short answer is "yes." This country enjoys over the year an ample rainfall which, if conserved, can give us all the water we can possibly want for the foreseeable future. We need to store water when it is plentiful and would otherwise run down our rivers to the sea, and then we must be able to move it to where it is needed when it is needed.

The Water Resources Board's three regional reports show how this can be done. It is not necessary to double the number of the many existing storage reservoirs built by water undertakings and industry up and down the country in order to double the supply. Engineers and scientists today can overcome problems which limited the choice of projects open to their predecessors.

Perhaps the most productive advance in technology is in water treatment: making water safe to use. For this enables us to utilise doubtful sources of supply and to use water more than once.

Industry has for many years used water over and over again by mills along the course of

a river. But the paramount importance 100 years ago of safeguarding domestic water supplies for drinking, forced water undertakings to store rain water in uplands uncontaminated by man—and not only to fence their reservoirs off to prevent any human contamination but in some cases to prevent access to the reservoir catchment.

Lower reaches

Now with to-day's techniques for treating water it is possible not only to be more liberal in allowing access and recreation on water supply reservoirs but also to use water abstracted from rivers, as the Metropolitan Water Board have long demonstrated, from the lower reaches of a river.

This at once vastly increases potential supplies. Water can be abstracted by a succession of water undertakings along the course of a river rather than each undertaking having to build its own storage reservoir up in the headwaters, thereby taking water away from the river right at the top. In this way the demands of several undertakings instead of being cumulative are successive.

The Board's proposals for future development rely increasingly on using water from rivers and on using rivers to support licensed abstractions, storage in such a reservoir can safeguard a much greater total successive abstraction from the river than the total it could provide by continuous supply

through a pipeline direct to a single water undertaking. So less storage and fewer new reservoirs are needed. But they apply also to estuary storage for maximum benefit.

There are other ways of increasing supplies. Better management of the large quantity of water stored naturally underground in the chalk of the Thames and Great Ouse basins, and its use to regulate river flows rather than for direct supply should go far to meet needs over at least the next decade in the central area of the South East. Later, as current investigations progress, it may be possible to increase the yield from these and other aquifers by artificial recharge, that is refilling those aquifers which have been depleted when there is water of suitable quality available.

Storage can also be provided by constructing banded reservoirs in estuaries such as Morecambe Bay, the Dee and the Wash.

Finally, as a way of augmenting water resources desalination may have a part to play as suggested in the Board's report "The Wash: Estuary Storage." Limiting factors here are the high cost of producing water by

any of the present commercially proved processes and the cost of moving that water to centres of demand. This latter point applies also to estuary storage.

The work of the Water Resources Board over the past seven years shows conclusively that all likely needs for water can be met in England and Wales without substantial increase in cost overall (after allowing for the fall in the value of money) and without undue loss of agricultural land, social disturbance or damage to amenity.

There are, however, still serious obstacles to be overcome. They are administrative and political rather than technical.

First, can we rely on using rivers in the way the Board has assumed? This depends on the quality of the water in our rivers, and that in turn depends on a far more vigorous and effective administrative system for dealing with effluent discharges than at present exists. There is too much dissipation of effort and not enough coordination and planning. It is unrealistic to rely on the 1,400 sewage disposal authorities which today discharge this fundamental responsibility. The excellent report of the Jeger

Committee issued in July last year and entitled "Taken for Granted," and the first report of the Royal Commission on Environmental Pollution, both emphasised the need for action in this sphere.

Pooling resources

Second, there is the difficulty of using conservation works and aqueducts for the benefit of a larger area than the area of one authority. It is by pooling resources and by a carefully planned sequence of development over a region as a whole and indeed inter-regionally that the proposals in the Board's reports will save costs not only in money but, equally if not politically more important, in land use and social disturbance. This involves deploying resources in the interests of the region or, for that matter, the country as distinct from the interests of a particular river authority or of a particular water undertaking. It involves switching those resources to supply different groups of consumers at different times as demands grow and as other sources are introduced. Can the different river authorities, water undertakings and local authorities, each responsible to their

own members (frequent elected), subordinate the individual interests of their own authority to the interests of much larger area? Given the will and a sense of responsibility it should be possible to get agreement in principle to the sort of large-scale programmes of development and operation the Water Resources Board put forward in their reports. But successful negotiation of financial terms is difficult and time-consuming. There is no superior executive body empowered to arbitrate and impose an equitable ruling. It seems all too significant that a recommendation for the change in use of a reservoir, which was made by the Board in 1965 and quickly accepted in principle by the two authorities concerned, is still under negotiation between them.

If these obstacles cannot be overcome—and overcome them will—additional supplies of water will not be available in time. In the resulting emergency regional programmes will be jettisoned and each authority will be forced to proceed independently to promote independent storage reservoirs at much unnecessary cost to land use, social disturbance and impact upon the countryside.

Fresh water factories

By DAVID FISHLOCK, Science Editor

Desalination in one respect at least resembles nuclear power. Those who plan two or three decades ahead foresee that both processes are bound to find an important role in the domestic affairs of the more affluent nations, including Britain. To say so too loudly at this stage, however, would simply disturb the established order unduly—too little or no useful purpose.

Like nuclear power, world demand for desalination is expanding at a very rapid pace. This is not always acknowledged, for in each case the process is still in the foothills of a very steep demand curve. But world capacity of desalination is now expanding at 24 per cent a year, and the total already exceeds 100m. gallons a day.

The chief customers so far have, of course, been the oil-producing nations who have no alternative supply of water, but also have the advantage of abundant cheap fuel. In the late-1960s two British companies, Weir and Richardson Westgarth, developed the technique of multi-stage flash distillation, the basis of almost every big commercial plant for desalinating seawater. Many other companies throughout the world have since exploited the multi-stage flash process, ensuring keen competition for each new plant to-day.

Latest plant

Gradually the demand for desalination is spreading beyond the oil nations, to such communities as Gibraltar, Hong Kong and Israel, whose geography limits the amount of natural fresh water that can be captured. One of the latest is Jersey, where a plant of 1.5m. gallons-per-day capacity was commissioned last year. Its water is very costly—£1.50 to £2 per 1,000 gallons, the plant contractor, Weir Westgarth, has estimated. This is ten times as high as the Kuwait cost for the same process. The difference is partly because the Jersey plant is small and self-contained, with its own boilers for steam and for raising electrical power.

The Jersey desalination plant is the first fresh water factory built in Britain to feed water into the domestic supply. It is needed at present for only two or three months each summer, when tourist traffic coincides with the market gardeners' demands. But it avoids the crippling effect of autumn water restrictions on the island's economy.

Jersey is a pointer to the way Britain—despite an abundant rainfall—expected to go. The present water requirement in Britain is 36,000 gallons per head per year, excluding agricultural and industrial uses. But consumption is expected to rise to 77,000 gallons per head per year by the end of the century. According to a Science Research Council report on desalination, published earlier this year, "desalination of seawater and brackish river waters will be making a significant contribution to United Kingdom water resources by the end of the century."

Which process will win through to this stage is by no means yet certain. The major

research effort worldwide is in amount of non-ferrous materials required for a given distiller output."

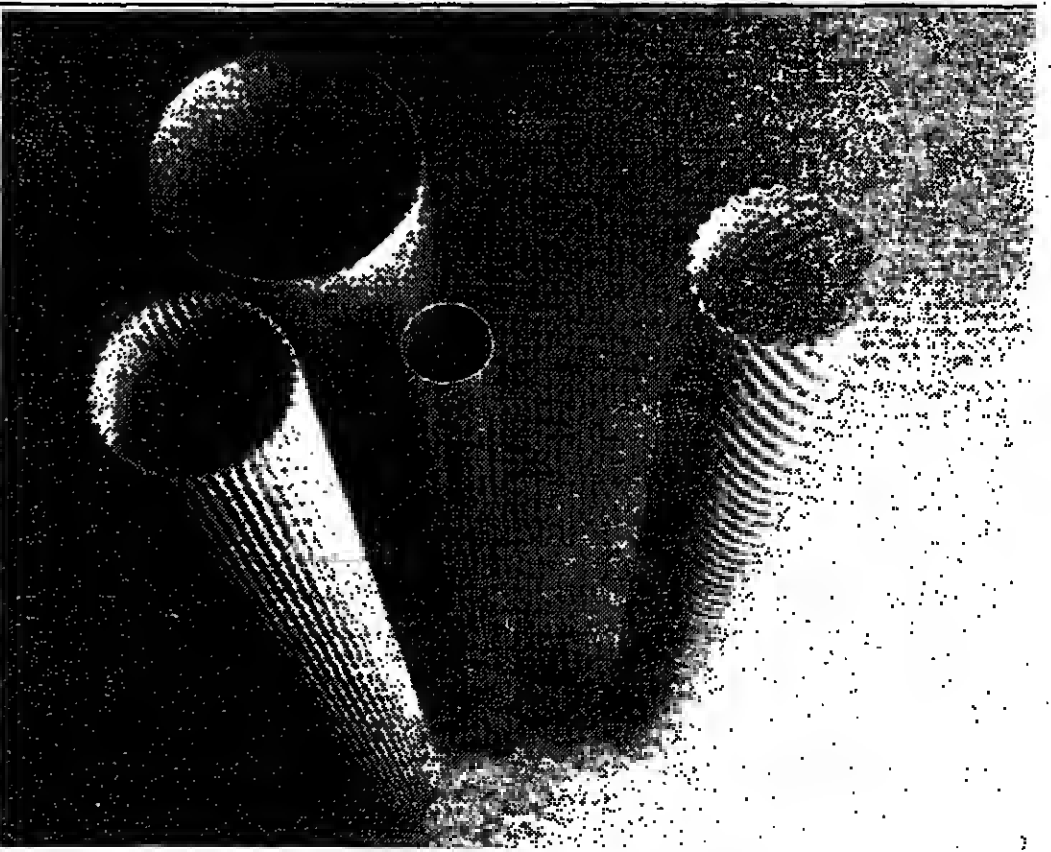
Vertical tube evaporation is one of the processes supported by Government research funds in Britain. Another is a process for freezing out salts in solution which the Government hopes to demonstrate in the shape of a 1m.-gallons-a-day plant near Ipswich, desalting seawater for addition to the public water supply. The site was selected for a pilot module of the new process because this is an area which obtains its fresh water from boreholes, now almost pumped to their limit. If the freezing process, on the basis of a £2m. prototype module, promised water at competitive prices, further modules would be added as the demand increased.

However, it was the conclusion of the Science Research Council's recent inquiry into desalination, led by an industrial scientist, Prof. J. W. Barrett of Monsanto Chemicals, that membrane processes looked the most exciting. "We conclude that of

all the processes available for desalination, those which utilise membranes, particularly reverse osmosis, offer the best prospect of a suitable system can be developed." It advised the abandonment of present "largely unsuccessful" lines of research and fresh support from the Council on new lines it proposed.

Obvious attraction

Perhaps the most obvious attraction of membrane methods of water purification is that their cost is closely related to the concentration of salts in solution. Many places in Britain have water available which although unfit to drink, is much less contaminated than sea water. These brackish or polluted waters might well be cleaned up by membranes, to add many millions of gallons daily to public water supplies in the next decade or two. At the same time they would help to satisfy another national goal—the clean-up of some of Britain's polluted inland waterways.



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Laporte

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LEONARD MILLIS, Director, The British Waterworks Association

BRITISH VISQUEEN LIMITED Stevenage, Hertfordshire
A subsidiary company of ICI

SOUTH AFRICAN IRON AND STEEL INDUSTRIAL CORPORATION STEADY GROWTH CONTINUES

The 42nd Annual General Meeting of the South African Iron and Steel Industrial Corporation, Ltd. was held in Pretoria on the 24th November, 1971. The following is a summary of the main points dealt with in the Chairman's statement.

Net profit for the year ended 30th June, 1971, before taxation was R19 520 000, an increase of R4 450 000 on the comparable figure for the previous year. The net profit after tax, amounted to R14 020 000 as compared with R9 340 000 for the previous year.

During the financial year various external financing sources, both overseas and local, were utilised to supplement financing of capital extensions from internal cash flow. Agreements were entered into with foreign suppliers of capital goods, as a result of which suppliers' credit to the amount of about R28 million was made available to Iscor. Approximately R4 million of the above amount was obtained in terms of the buyer's credit agreement concluded in the United Kingdom at the end of the previous financial year. In terms thereof, an amount of £30 million is available through a group of U.K. clearing banks, for financing of purchases from the U.K. in respect of orders placed on or before 30th June, 1973.

Molten iron production at Pretoria and Vanderbijlpark Works totalled 2 638 523 tons. In addition, the Newcastle Works produced 835 391 tons of hot metal, of which 781 879 tons were for pig iron and 53 512 tons for ferro-manganese production. Steel ingot production increased by 93 820 tons to 3 478 416 tons, which was 2.8 per cent. higher than the figure for the previous year.

Sales

The net sales value of all products sold during the year, amounted to R291 469 758, as compared with R238 479 564 in the previous financial year. The total tonnage and net sales value of all products sold show an increase of 31.5 and 22.2 per cent., respectively over the figures for the previous financial year.

During the year an estimated record total of 4 052 000 tons of rolled, drawn and forged steel products was supplied from South African and overseas sources to consumers in the Republic, South West Africa and neighbouring African countries. This is an increase of approximately 579 400 tons, or 16.7 per cent., over the adjusted figure of 3 472 600 tons for the previous financial year. Of the 4 052 000 tons, Iscor supplied 64.7 per cent., and other South African producers 21.0 per cent. whilst 14.3 per cent. was imported. The Corporation's share of the tonnage produced in the Republic was 75.6 per cent., compared with 75.9 per cent in the previous year.

Export of Iron Ore

It will be recalled that Government approval has been given in principle for support of Iscor's plans for the development of Saldanha Bay as an iron ore terminal and the building of a special railway link to Sishen. Detailed studies have reached an advanced stage and adequate finance for the whole scheme has also been assured.

Following upon the economic upheavals of the past twelve months, the steel industries of the world have had cause to review their forward estimates of developments and requirements of iron ore and, for the moment, the climate is not as favourable to the conclusion of long-term contracts for large tonnages as both sellers and buyers had hoped it would be.

Demand

The extraordinary increase in the demand for steel products has gained even greater momentum during the past financial year. To meet the situation December, 1971, when my own Iscor, in consultation with other term of office expires.

steel producers and the Department of Industries, arranged large-scale imports of a comprehensive range of steel products. Since the commencement of the importation programme, 935 000 tons of basic steel products, with a total delivered value of R80 million, have been purchased from foreign suppliers. Of this total, Iscor purchased 808 000 tons.

Extensions

The rounding-off programme at Vanderbijlpark Works, which will result in an estimated capacity of about 3.7 million ingot tons, is well under way. A form-cast pilot plant, has been installed and the building of the fourth blast furnace is up to schedule and production should start early in 1973. Construction of the No. 2 sinter strand is nearing completion. Basic oxygen furnace steelmaking facilities have been ordered and the two 135 ton electric arc furnaces are now approaching design capacity.

On the mills side, the four-sided scarfing machine is being installed and an order has been placed for the 2050 mm hot-strip mill, due to be commissioned in May, 1974.

The modernization and round-off programme at Pretoria Works to produce an estimated 1.5 million tons of ingots a year, is well under way. An order has been placed for the modernization of the heavy mills complex and this mill will be capable of rolling universal beams of up to 610 mm x 230 mm and columns of up to 356 mm x 370 mm. Its annual capacity will be 540 000 tons.

The planning and project work of the first construction phase of the new integrated steelworks at Newcastle has reached an advanced stage. Tenders have been invited for all the major production and service facilities and orders for several units have already been placed. The main facilities to be commissioned in 1974 include a coke-oven battery, two basic oxygen furnaces, each of 150 tons capacity, and two continuous bloom casting machines, each with a capacity of 40 000 tons a month. The mills equipment scheduled to commence operations early in 1974 will include a 1 600 000 ton billet mill, a 330 000 ton rod mill and a 500 000 ton bar mill. A medium mill of 400 000 tons capacity will be commissioned at the end of 1974. A wire works complex, with an annual capacity of 80 000 tons, is planned to commence operations by 1975.

Mining

The Corporation's iron ore mine at Thabazimbi, dispatched 731 027 tons of high-grade haematite during the year under review, most of which was consumed at the works in Pretoria. The Sishen iron ore mine supplied 3 366 283 tons of iron ore, of which 1 792 919 tons went to the Vanderbijlpark Works, 132 756 tons to the Pretoria Works and 512 300 tons to the Newcastle Works. A total of 456 401 tons was exported to Japan.

The Corporation's mine, The Durban Navigation Collieries (Pty.) Limited, supplied 785 359 tons of straight-cooking coal. From the Uis tin mine, 1 258 tons of tin concentrate were dispatched and the Rosh Pinah zinc mine produced 37 636 tons of zinc concentrate.

Sustained and determined efforts continue to be made to cope with the skilled manpower shortage which threatens to become even more strained as the massive programme of extensions gets into its stride in the next few years. The full-time overseas mission working in Western Europe has more than justified its establishment and at the other end of the scale the Corporation's training centres annually turn out about 500 artisans.

I would like to congratulate Dr. T. F. Muller on his appointment as Chairman from 1st January, 1972, when my own Iscor, in consultation with other term of office expires.

Fine Tubes dispute 'might have been averted'

BY ROY ROGERS, LABOUR STAFF

THE bitter 17-month-long dispute at Fine Tubes, Plymouth, might have been averted if management had approached the unions for a meeting, according to a Government inquiry report published yesterday.

Both parties in the dispute are urged to meet under the auspices of the Engineering Employers' Federation, to negotiate a settlement quickly. Sanctions imposed on the company by the unions should be suspended during negotiations and any settlement should include moves towards re-employment of 48 "strikers".

Rejected

The Committee of Inquiry, headed by Professor A. D. Campbell of Dundee University, considered that the immediate cause of the dispute was the failure to resolve a pay claim made eight months earlier although the strike that followed was just "the last episode in a long period of poor industrial relations".

This situation was caused in part by a tendency on the part of the company to miss opportunities for consultation with the unions and the establishment of good procedural arrangements was essential for future harmony at the plant.

The dispute began on June 15 last year when 165 members of the Transport and General Workers' Union and the Amalgamated Union of Engineering Workers went on strike after a 23-week pay claim had been finally rejected after eight months in the engineering industry procedure.

A few of the strikers returned after management sent dismissal notices and others have since found other jobs, leaving 48 who are still considered by their unions to be on official strike.

The strikers were angered when they learned that after rejecting their claim the management gave its workers a 9 per cent. increase retrospective almost to the date the strike started. Even after conceding this increase, to keep in line, it was said, with pay rates at the nearby dockyard, the company refused to meet the union representatives despite efforts by the Department of Employment.

However, it is understood that they are unwilling to lift sanctions before receiving a commitment from the company that "meaningful discussions" will follow.

Fine Tubes, a subsidiary of the Superior Tube Company of Norristown, Pennsylvania, U.S., employs over 200 on the manufacture of precision seamless metal tubes used in the aircraft and major industries.

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the EEF and the TUC. Management said they would not negotiate under the "duress of picketing and blacking".

Suspension of sanctions is suggested by the inquiry committee while negotiations take place, the first essential being that the remaining 48 strikers be offered re-employment as vacancies occurred in the company.

Predictable

This was an essential requirement in the interests of future harmonious relationships, the committee said, but warned that existing employees should not be discharged simply to offer jobs to the 48.

The committee thought the strike was predictable and that there was enough evidence for the company, "if it wished to be cautious and to try to avoid the disruption of a strike, to have taken some initiative in approaching the unions for a meeting and not have waited upon events."

Last night national officers and shop stewards of the two unions welcomed the suggestion of speedy negotiations for a settlement and said they would be contacting the EEF.

However, it is understood that they are unwilling to lift sanctions before receiving a commitment from the company that "meaningful discussions" will follow.

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CYPRUS

FINANCIAL TIMES SURVEY

Where division is part of the scenery

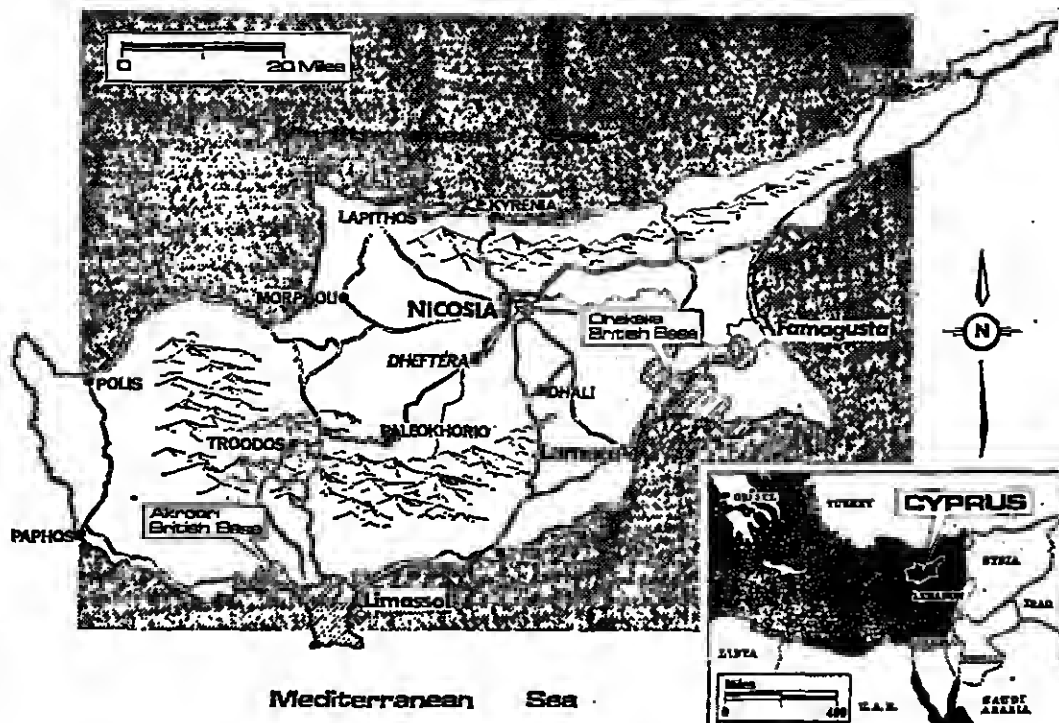
ROBERT GRAHAM

barricades along the "Line"—the line which divides the Greek and Turkish communities in Nicosia—given a fresh coat of paint every year. They have been red so often now that they are part of the scenery. Like the Turkish suburb of the island with its ruined houses and slogans daubed on walls for union with Greece (is), they have become symbols of a divided country. The Cypriots, it seems, learned to live with crises such as they have come to the status quo. And high aided by the flatterer welcome given to the visitor the very special charm of the island, it is all too easy to see the potential explosive of the situation.

In this stalemate anything out of the usual can upset the uneasy calm. This was so last year when within a week there was an attempt to assassinate Archbishop Makarios and a former minister was murdered in mysterious circumstances. There followed a campaign by Archbishop Makarios to round up members of an extreme rightwing organisation, the National Front, arrests were made and the situation returned to "normal".

Now once again a certain nervousness has returned. This time it concerns the redoubtable figure of General Grivas, the former EOKA leader. In September, just when Archbishop Makarios was leaving for Athens, Grivas disappeared from his Athens home where he was supposedly under house arrest. He is believed to have landed in Cyprus. Since then life as normal as possible is not at all the case. It is generally accepted that he is on the island. Whether on

the island or not, reports that he is there have put a new complexion on Cyprus politics. There has been a noticeable decline in the support for Archbishop Makarios and several of his former supporters on the Right wing of the Greek Community have been extremely



action so far which would alienate the considerable emotive support this veteran independence fighter enjoys. He is waiting for Grivas to act, hoping to give him enough rope to hang himself with. Yet while Grivas holds his hand, the island is plunged in uncertainty. The Grivas issue also arouses all the old Turkish fears about the Greek Cypriots' desire for Enosis. Grivas has always been closely associated with Enosis.

The extent of Grivas' support is difficult to gauge, as indeed it is almost impossible to divorce the true feelings about Enosis because attachment to the idea does not necessarily mean commitment to the reality. However the importance of Grivas in all this is his ability to act as a catalyst for dissident right-wing elements.

of Professor Erim in Ankara the Turkish position has hardened. This does not mean to say that Ankara and Athens have rejected co-operation over solving Cyprus. It means rather that Professor Erim has encouraged the Turkish leadership at the local level to take a tougher stand. He has also probably given firmer undertakings if anything were to prejudice the Turkish community in Cyprus. The Turks certainly seem more encouraged to continue their separatist path on the island, backed as they are by Ankara to the tune of £9m. a year.

The main hope for a new lease of life in the inter-communal talks lies with the UN. The suggestion that a UN mediator should sit in on the talks with "guidelines" or "terms of reference" is now being mooted in New York. The success of such a move depends largely upon whether Archbishop Makarios is prepared to accept the presence of observers from Athens and Ankara at the talks. So far, he has vigorously opposed the idea of an imposed solution and his visit to Moscow was in some measure a gesture of independence from Greek and Turkish pressure. The issue is now on the Security Council agenda and it is hoped that some initiative might be taken soon.

Against this background the issue of the British sovereign base areas has been muted. The Archbishop is known to be unhappy about the existence of the bases which have nearly 9,000 Army and Royal Air Force personnel and which occupy 3 per cent. of the island's territory. For the moment he appears content to reap the economic benefits. But sooner or later the issue is likely to be raised and the possibility of "doing a Minto" cannot be excluded. Nor can the existence of the bases be wholly dissociated from the inter-communal situation. In fact, given their strategic importance in the Eastern Mediterranean, they offer one further reason why so many people are interested in the future of this enchanting island.

There is no doubt that with the advent of the Government

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GNP per capita: £355
TRADE (1970):
Imports: £99.4m.
Exports: £45.2m.
Imports from U.K.: £26.1m.
Exports to U.K.: £20.4m.

TRADE (six months to June 1971):
Imports: £54.3m.
Exports: £18.0m.
Imports from U.K.: £13.4m.
Exports to U.K.: £14.2m.
RATE OF EXCHANGE:
£C1=£1.

critical. This has pushed the Archbishop further towards his alliance with the Left; and particularly in the wake of his visit to Moscow in June, there have been attempts to associate him openly with the powerful Communist Party, which commands some 30 per cent. of the electorate. Added to this is the relationship between the Archbishop and the Athens Government have been strained as a result of moves by Premier Papadopoulos to force Makarios to hand over a settlement of the Cyprus problem.

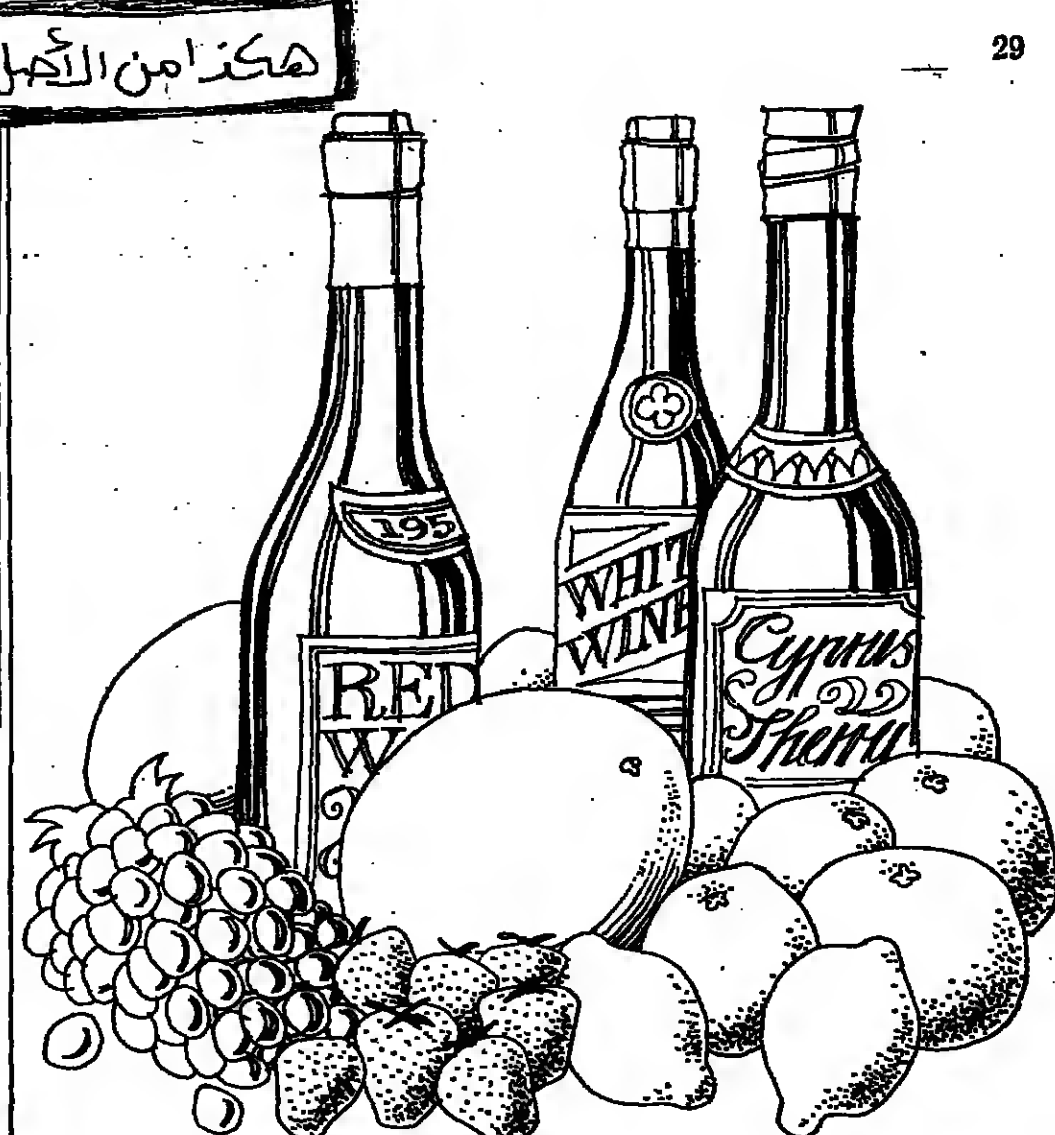
The poor state of relations between Archbishop Makarios and the Athens Government has taken on a new dimension with the disappearance of Grivas. The Greek Government attitude has been ambivalent and at best it could be considered neutral. There is nothing to exclude a measure of collusion, perhaps at a low level with the Greek military, over Grivas' vanishing act. To support this, observers point to the absence of any condemnation of Grivas, even though he has been reported as forming armed hands in Cyprus. So long as Athens adopts this attitude the position of Archbishop Makarios is weakened.

Grivas himself must be regarded as the joker in the complex pack that makes up the Cyprus problem. The Archbishop has played his own cards astutely and has avoided any

Talks breakdown

The dangers of the present situation are underlined by the total breakdown in the inter-communal talks. The two sides have not met for three months. Since they began in 1968 the talks have dragged on so much that they have rather lost sight of their original objective—to work out a replacement for the 1960 Constitution which was based upon the London and Zurich agreements. Instead they have become bogged down and their main use has been, as Glafcos Clerides, the Greek negotiator, pointed out, a high-level "liaison committee." Acting as such, both Clerides and his opposite number Rauf Denktaş have performed valuable work in keeping the crisis off the boil. But a new initiative is needed to get round the present deadlock. The Turkish constitutional proposals in effect call for a federal system: there would be separate local administration, separate police, courts and education for both communities which would be guaranteed by the respective mainland forces. The Greeks reject the idea of external guarantees and argue that duplication of services would be costly, divisive and undermine the concept of a unitary State.

There is no doubt that with the advent of the Government



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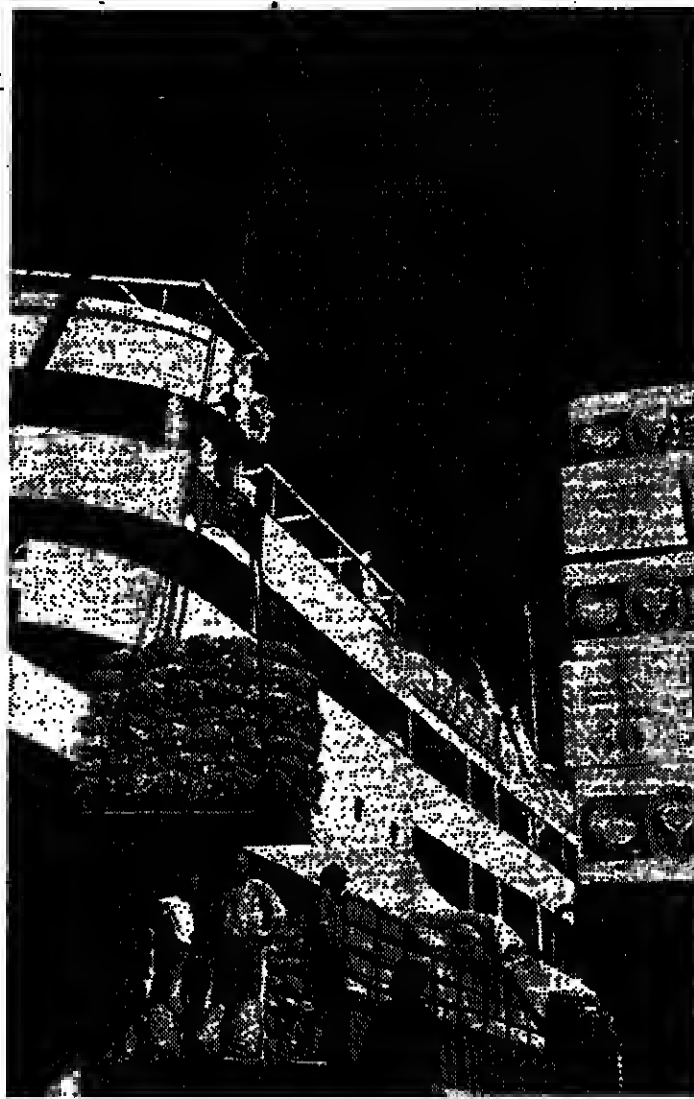
Economy remains buoyant— but management is cautious

By ROBERT GRAHAM

In spite of the delicate and sometimes tense political situation, the island's economy has remained remarkably buoyant, in particular, the relative calm of the past three years has witnessed a period of exceptional growth and very real achievement. The annual growth rate has averaged nearly 8 and 9 per cent, well above original estimates.

Indeed, at first glance the picture seems rosy enough. Per capita GNP has risen from £170 in 1960 to £355 in 1970 (and will probably reach £377 this year); the balance of payments has managed to achieve a small but increasing surplus each year in the face of a widening trade deficit; foreign reserves have now risen to £112m. (as of September) enough to cover nearly 14 months' imports; tourism is beginning to reach take-off point with over 160,000 visitors expected by the end of the year; and finally, growth has been achieved under conditions of full employment and without undue inflation.

Yet the picture does not end here. When talking about the economy of Cyprus this effectively means the activities of the Greek Cypriot community who are responsible for over 90 per cent of the island's business. All the vital sectors are in Greek Cypriot hands and the boom of the past three years has been generated by them—and they have been the prime beneficiaries.



Loading citrus fruit and carrots at Famagusta.

Uncertain factors

In addition it must be stressed that the apparent health of the economy rests upon a number of uncertain factors. The island has a desperate water shortage, which makes the key agricultural sector very vulnerable. Exports cover under half the imports and the payments surplus has been due to an inflow of private funds and foreign military expenditure (principally from the British bases and support for the Turkish community from Ankara); in the long term neither of these sources can be counted on. The heavy dependence on imports also lays the island open to imported inflation. Finally the increase in tourism, upon which the Government now sets so much store, and the maintenance of general business confidence, depends upon continued—and improved—stability on the island in particular and the Middle East as a whole.

The authorities are aware of these problems. In fact it is tempting to say that they are almost too aware because Government action in the economic field has been characterised by excessive caution. For instance, reserves have been steadily built up, almost doubling in five years. They are being kept against a "rainy day." The total external debt only stands at £15m. At the same time the development programme itself has set itself modest targets and has sought to avoid or minimise budget deficits (£2.5m. in 1969 and £0.8m. in 1970). The growth target of 6.5 per cent in the Second Five-Year Plan, 1967 to 1971, was clearly an underestimate.

Government caution can also be seen in the way that the Central Bank exerts tight control over the banking system. Since 1968 the liquidity ratio of all banks has been above 25 per cent. By June this year it had touched 33 per cent with total bank deposits of £133m.; and how the liquidity ratio is approaching the exceptionally high level of 40 per cent. With interest rates ranging up from 7½ per cent money has tended to be kept in the bank or invested in property.

The same caution is evident in another aspect: in the authorities' attitude to Cyprus's potential role in the Middle East and the development of tourism. There is little doubt that tourism could have been developed more rapidly if the Government had let a number of outside interests have it their way; but they have been anxious to cushion the impact of tourism on the island as a whole. Equally there is a feeling in Government circles that the island is just not ready to play the role of a regional centre, for company headquarters, for conferences, for assembly plants, etc., which some would like to see. Archbishop Makarios himself dislikes the idea of too much foreign capital flooding into the island.

On balance it seems that this caution has not been without its dividends. Prices have risen on average around 2.5 per cent a year over the past three years, with an acceleration this year to 3.5 per cent. If the economy had been expanded much faster during this time there would have been greater inflation and

severe strains on the tight labour market. Unemployment, which was 6,990 or 3 per cent in 1961 was down to 2,810 or 1 per cent in 1970. Admittedly these figures refer to registered unemployed and do not include the number of under employed or the unemployed Turkish Cypriots. Nevertheless the labour situation is an important factor in determining future development. The population of 645,000 is only increasing at 1.3 per cent per annum and there is still an emigration rate of over 2,000 annually.

New budget

The Government is currently preparing a new Budget and working on a new five-year plan, 1972 to 1976. While it seems that the brakes will be let off a little further, the authorities have yet to decide on the optimum rate of growth. During the 1967-70 period gross investment in fixed capital was £190m. while it is likely that a further £61m. sterling will have been invested by the end of 1971. Initially it has been suggested that some £366m. be invested during the next five-year period, which assumes a growth rate of over 7 per cent. However, the eventual figure could be closer to 8 per cent.

Unofficial and tentative estimates of investment during the new plan suggest that the biggest rises will be in the industrial sector (which includes manufacturing, electricity, gas and water). Approximately £124m. will be invested against £79m. There will also be substantial increase in funds for housing and Government buildings (£120m. against £85m.). These figures apply only to domestic fixed capital—as does the £366m. figure. During the 1967-1971 plan

period considerable attention has been paid to infrastructure improvements. The work carried out should enable a better utilisation of existing resources.

Cyprus has few natural resources future expansion will depend much on this aspect. Agriculture is likely to remain the most important single sector of the economy for the foreseeable future. In 1970 production was worth £32.2m. which was nearly 18 per cent of the GDP. With new investments and improved production methods, its share of the GDP should increase marginally in the new plan. Provisional estimates suggest agricultural production will reach £56m. by 1976. This is based on the assumption that small holdings will be merged into co-operatives, the traditional rotation system of cereal-fallow-cereal (which leaves 26 per cent of the land fallow annually) will be curbed and new water sources being tapped.

Import initiative

The other sector to increase its share substantially of the GDP will be manufacturing. It is estimated that it will increase its share from 11.7 per cent to 14.6 per cent. This rise could be more dramatic if Cypriot businessmen begin to turn their attention away from property speculation. In view of the widening trade gap, pressure is mounting for more initiative to establish import substitutes and to promote industries on a scale large enough to provide export capacity.

In 1970 exports were worth £42m. while imports were £86m. During the first half of this year, although exports increased at a faster rate (12.1 per cent) and stood at £47.8m., the gap could well widen further because the mining industry is in decline. Minerals, principally copper ore and asbestos, have provided between one-third and two-thirds of export. Exhaustion of reserves means that earnings from this source could be cut to as little as one-eighth of total exports—a loss which will be hard to make up.

Cyprus trade position is also threatened by the entry of the U.K. into the Common Market. The U.K. absorbs 76 per cent of Cyprus exports and Cyprus may well find that the Community may find itself unable to concede all the concessions now being sought in negotiations for associate membership.

The weakness of Cyprus' trading position is protected to a large extent by receipts of invisible items. These have grown from £39.8m. in 1967 to £59.9m. in 1970. The most important item here is £30m. coming from "foreign military expenditure." This refers to the sums spent by the British on their bases, the mainland Turks in support of the Turkish community and UN forces expenditure. The largest sum is British expenditure resulting from the use of the sovereign base areas (roughly £18m.) and the next most important is Ankara's support (in the region of £9m.). In spite of this there is a small deficit on current account, which is balanced by inflows of capital. Between 1967 and 1970 net capital movements jumped from £3.6m. to £14.6m. The nature of these funds is not always identifiable

due to free convertibility with sterling and the large number of Cypriots in London. The size equivalent of foreign military expenditure.

Although the development of tourism offers grounds for optimism, one must not keep flowing in nor is it will any analysis of the economy to accept, at least emotion—a note of caution. The current account is bolstered by foreign military period of rapid expansion. Tourism is seen there are so many important means of lessening this dependence. But tourist situation that it will reach £8m. in 1970 and should time if the economy can reach £11m. this year. Ideally time to remain relatively late from it and resilient.

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PRUS III

Keeping the tourist boom under control

RTHUR SANDLES

narch of Cyprus into the world of tourism is with mixed feelings on and itself. In neither the ment offices of Nicosia sleepy coffee houses of vncial villages is there a ease about the tiger yprus may now have by . With its fine beaches, i mountains, excellent nd a general mood of e, Cyprus is a natural destination. But al- attracting the holiday- is profitable and gener- employment, there are ntages. The tall hotels agusta hide the beach e road, and proud locals eer their guests away the scene. "It stands they tell you. "An ex- of what we must not do future."

Famagusta is a consider- asanter place than some Spanish or Caribbean parts, and it is arguable very tourist area needs mi Beach. Certainly the ng growth of this resort ght the Cypriots a sharp

us is therefore embark- a policy of planned development which so ws signs of a successful least. Under the rule of icheael Colocassides, a l businessman whose fortune is based on ing Forde into the island, prus Tourism Organisa- flexing its muscles, in f being less than a year a full-blooded operation. ear the hotels of Cyprus graded and subject to inspection. Already rs are kicking slightly at plications of this scheme e grading work is now nd the lists will be avail- the public in the new be same time the rules



Ruins of Bellapais Abbey near Kyrenia.

affecting hotel building have been tightened up considerably. Although a general free for all remains on the Famagusta beach front elsewhere the island is zoned. The Govern- ment has cracked down heavily on anything remotely smelling of "high-rise" in most areas. Even the Nicosia Hilton is a relatively squat affair called affectionately "our baby Hilton" by the Cypriots.

This is not to say that hotel development in Cyprus over the next few years will not be considerable. Mr. Colocassides talks of 400,000 tourists or more coming to the island by the mid-seventies. This will mean doubling the present 13,000 beds in Cyprus (about 10-11,000 of them being to an acceptable international standard). To encourage this building the Government has the usual net- work of loans and tax holidays.

Already there are some quite big developments. Trust Houses Forte recently opened its Apollonia Beach Hotel at Limassol and THF is also associated with BEA in the massive Golden Sands project, which is Government-sponsored and will eventually be able to take 1,000 guests. Halfway Hotels will run a large international hotel being built by British contractors. This project and that at Golden Sands are comprehensive leisure complexes with an abundance of pools, restaurants, night clubs and shops.

At the moment it looks as if filling these beds is not going to be difficult. Getting a seat on an aircraft into or out of Cyprus these days (Cyprus Airways and BEA both fly Tridents there) is not the easiest of tasks as I have found to my own cost recently, and the competition for beds among tour operators is severe. The American travel business is showing interest in the island and Nicosia airport recently had the pleasure of receiving its first stretched DC-8 jet-load of American package tourists, nearly 300 of them, in one go.

Cyprus has a split view about these package visitors. It is seen as an inevitable feature of modern travel life, but the islanders have no intention of following Majorca down the road to concrete blocks, £10 week-ends and tea-bars. There is a determination to keep the price of holidays in the island high enough to make it an up-market offering but not so high that it deters custom. At the moment two weeks on the island costs upwards of £80, with the bulk of the custom a little over £100. The average British holidaymaker spends about £50 (basic) on a holiday abroad, so for the moment, it requires that slight additional financial effort which should help it to fight off the hordes.

The Cypriots look with respect at the way in which Portugal has "managed" its tourism in spite of living cheek by jowl with Spain.

The past year has seen a vast increase in the number of visitors from Germany as Turopa and Neckerman take an interest. Up to end-August this year there had been 6,000 German visitors compared with under 2,000 in the previous year. Next year the total looks like being 14,000. British custom, too, is surging, with a 24 per cent rise in the first eight months of this year to 54,454. The island should have 140,000 long-stay tourists (unlike some destinations, Cyprus does not count transit and short-trip visitors).

Hotel workers

According to Mr. Colocassides, Cyprus can afford to be careful in controlling the boom. "This is a prosperous island. We do not need to fight desperately for tourists. We want people to come but we will make sure that tourism develops properly here." The Cypriots are particularly concerned, for example, that a rush of hotel building should not force up land prices and building costs to such an extent that life for the locals becomes intolerable. Similarly the labour market is not sufficiently well filled to supply a sudden boom in the demand for hotel workers.

But everything is not in Cyprus' favour, of course. There are times when the sand-bagged emplacements of the horned United Nations peace-keeping forces remind the visitor of Northern Ireland in the sun. The people are delightfully friendly and helpful (but the "everyone speaks English" idea is a myth, particularly outside the big towns) but the military presence is a reminder of Cyprus' unsolved community problems. Tourists might find the islands odd time zone difficult to deal with. It gets dark around five o'clock and the best part of the day is reserved for early risers—I went riding in the hills one day pre-breakfast and the temperature was around

Kyrenia Harbour.

70. Switching to central Europe time—probably unthinkable to the giant farm lobby—would ease the situation.

It is also irritating that Cyprus is one of the few countries in the tourist word-to-day which actually enforces its driving licence laws. A British or American licence is not valid in Cyprus and there is some form filling, picture taking and a 50p charge to get a local one before you can drive your rented car.

But the big problem for Cyprus is competition. Throughout the Mediterranean the battle for tourists grows fiercer every day. Greece is spending large amounts of promotional cash on its tourism and is paying a lot of attention to the hotel developments needed to back up the campaign. Turkey, whose mountains are clearly visible from the Cyprus high points, has scarcely scratched the tourism surface and shows every intention of getting in on the travel act. Tunisia, Morocco and Israel are all relative newcomers to the tourism business but see in it a useful foreign currency potential. Add to this the already sophisticated tourist areas of Portugal, Spain, France, Italy, and Yugoslavia and it is clear that Cyprus is now operating in the big league.

However, the advantages of Cyprus are considerable. Being already commercially developed she already possesses the roads, power facilities and restaurant/night club infra-structure which are absent in other places. Even water supplies, always a problem on the island, are being better organised.

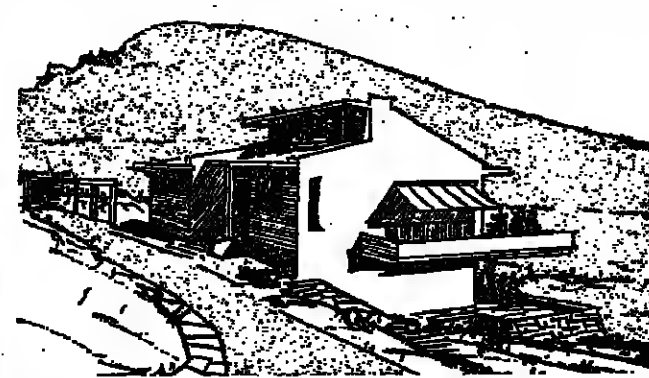
The other big plus for Cyprus is sophistication and shopping freedom in a relatively underdeveloped part of the world. It has been able to capitalise on the fact that once you leave Cyprus and head East you have to go for a long way before you reach anywhere with European-style shopping facilities that there are in Nicosia. While Europeans head for the beaches the Israelis and Lebanese head straight for the cities. It is also a useful linking place for anyone who wishes to visit Israel and an Arab country on the same tour.

Given continued community stability there seems no reason why Cyprus should not achieve its objectives in the field of tourism. The cool mountains of Troodos and the beaches of Famagusta, the night life of Nicosia and the extraordinarily extensive Greek remains of Salamis will stimulate the traffic. And the concrete teeth of Famagusta beach biting into the blue Mediterranean sky will continue as a warning to all of what could happen in other areas if mistakes are made.

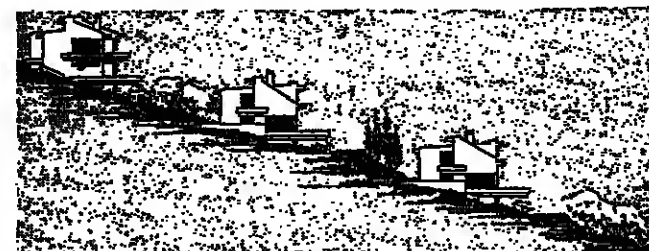
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CYPRUS IV Brussels talks will set pace for exports

By a Correspondent

Exports from Cyprus are dominated by agricultural products which account for 58 per cent of the total. In the five years from 1966 to 1970 agricultural exports increased by 64 per cent from £14m. to £23m. Citrus fruits, spring crop potatoes and carrots, carobs and wine and table grapes dominated farm exports, representing 85 per cent of the sector's total. Citrus exports brought in £7.2m. potatoes £6.5m. and wine and grapes £4.9m.

The U.K. is the major importer of these products, taking 90 per cent of the potatoes and carrots.

Main vine products exported to the U.K. are wines of which the U.K. absorbs 76 per cent of total Cyprus exports (with Cyprus being the third largest supplier of wines to the U.K. after France and Spain), and grapes, of which the U.K. absorbs 85 per cent of total Cyprus exports. The U.K. also accounts for 38 per cent of the exports of citrus fruits.

Assuming that in the forthcoming negotiations with the EEC, Cyprus is able to obtain appropriate terms, it is expected that exports to the U.K. will further expand. This is based on the fact that the agricultural commodities which have experienced the highest rate of growth during the period 1966 to 1970 (vine products, which are mainly wines and fresh grapes, 9 per cent., and citrus 3 per cent.), have good prospects. Moreover, a new group of agricultural items which has great prospects in the U.K. market—is that of off-season fruit and vegetables. The potential of Cyprus in the production of these commodities has not yet been realised to any great extent.

Trade agreements

Meanwhile, following her policy of diversifying her exports, Cyprus has, since 1961, concluded seven bilateral trade and payments agreements of a "clearing" type with East European countries. Up to the time of these agreements, trade between Cyprus and East Europe was on a very small scale and was carried out in terms of barter between Cypriot businessmen and the national trade organisations in those countries. With the signing of the agreements, this trade has been put on an official basis, and has expanded substantially. Some products, such as raisins and grape alcohol, whose sales in the more traditional markets for Cyprus



Harvesting grapes for export to Britain.

products was meeting with difficulties, found an outlet in East Europe. Moreover, a market for certain manufactured goods was also found in East Europe.

The Cyprus Government has sponsored advertising campaigns in prospective markets, participated in trade fairs and exhibitions, and sent several trade delegations abroad to study on the spot ways and means of promoting exports. Foreign businessmen have also been invited to the island to see for themselves the advantages of trading with Cyprus.

These promotional activities have borne results; total domestic exports jumped up from £27.2m. in 1966 to £39.2m. in 1970 (or 44 per cent. within a period of five years) and new markets other than the traditional ones are absorbing increasing quantities of citrus products and manufactured goods.

A planned course of action by the Government to make a breakthrough into the West German market was inaugurated last July when Cypriot exporters of sultana seedless grapes, bad, under Government co-ordination, each agreed to send certain quantities of sultanas to Germany. The results of this year's attempt to break into the German market have been encouraging and larger quantities

of sultanas will be sent to that market next year.

Potatoes is another crop which Cyprus is trying to establish in the West German market. As Germany imports large quantities of early potatoes it is believed that Cyprus has a fair chance of getting a foothold there, assuming, of course, that the yellow-flesh potatoes preferred by German consumers can be produced in Cyprus. Preliminary work has been done on experimental cultivation of this type of potato and tests made of their cooking and tasting qualities in Germany. As from next year it may be possible for Cyprus to send small quantities of early yellow-flesh potatoes into the German market.

Rising deficit

A perennial problem facing Cyprus is the continuing rise in the trade deficit. Last year it reached £33m. (Imports £98m., exports £45m., including re-exports). The situation so far this year does not show any sign of significant improvement. Imports during the first eight months of 1971 reached £70.4m., while exports totalled only £34m., revealing a deficit of £36.4m. (The deficit is met by invisible receipts, mainly from spendings by foreign troops in the island, and tourism.)

The Government is making efforts to narrow the gap by trying to boost exports, and by encouraging the establishment of local industries to produce substitutes for imported items. The export of such locally manufactured items as shoes and ready made clothes is also increasing. A delegation from Zambia was in the island this month, in a bid by Cyprus to enter this African market.

But the future of the Cyprus export trade will depend to a high degree on the terms to be negotiated in Brussels in the next few months. The Council of Ministers of the EEC, meeting in December, is expected to authorise the Commission of the Community to open formal negotiations with Cyprus early in the new year, to discuss the signing of an agreement, leading to the island's association with The Six.

The outcome of these talks will indicate whether the island's agricultural products will be able to enjoy tariff concessions for entry into the EEC countries similar to those enjoyed at present under the Commonwealth preferential treatment for entry to Britain.

It may also determine whether Cyprus will remain in the free world, or whether it will join the bandwagon of Russia, now seeking to increase its influence in the Mediterranean.

Ambitious plan to make island key travel centre

By a Correspondent

Although a small island, Cyprus has been a key communications centre throughout the ages at the crossroads of three continents. The Government hopes that Cyprus will continue this role in the age of the Jumbo jet. The island's "neutral" stand in the world and its good climatic conditions should help it in this respect.

Middle East "Peace" diplomats have been using Cyprus as a stop-over for trips between Israel and Egypt; hundreds of evacuees who left Jordan last year after the civil war were flown to Cyprus in transit to their home countries; and an extension of the main runway from 8,000 to 9,700 feet at a cost of about £2m. in order that aircraft can take-off with a full useful payload for non-stop journeys of up to 2,000 nautical miles. The runway will then be equipped with Instrument Landing System (ILS) despite the fact that this is not an ICAO requirement for Cyprus. The runway is already equipped with a Visual Approach Slope Indicator System (VASIS).

Despite complaints by the British Pilots Association, Cyprus authorities insist that all navigational aids required for the safe flow of air traffic have been taken. Nicosia Airport, they say, is provided with all the navigational aids prescribed in the Air Navigation Plan for the Middle East extended to cater for Jumbo of the International Civil Aviation Organisation. The plans are also being prepared for the erection of a new joint air traffic control centre and the installation of surveillance radar.

The Government policy has been to increase scheduled services and to permit the operation of inclusive tour charter operations from tourist generating areas. Altogether 20 with the airports at Athens, Ankara, Beirut, Lod, Damascus

and Cairo. New VOR and DME equipment have also been installed. Aeronautical information at Nicosia Airport is now transmitted automatically through a computer within the framework of the new Aeronautical Fixed Telecommunications Network (AFTN) which was installed and commissioned in 1970.

As air transport grows and more and more is demanded of international airports, services of the Ministry of Communications and Works are constantly planning for the future. Already work is in progress on an extension of the main runway from 8,000 to 9,700 feet at a cost of about £2m. in order that aircraft can take-off with a full useful payload for non-stop journeys of up to 2,000 nautical miles. The runway will then be equipped with Instrument Landing System (ILS) despite the fact that this is not an ICAO requirement for Cyprus. The runway is already equipped with a Visual Approach Slope Indicator System (VASIS).

Parking apron

Work is also in progress to extend the aircraft parking apron to accommodate two additional large aircraft. Future plans are that the apron should be extended further to take with all the navigational aids another two aircraft and that the terminal building should be extended to cater for Jumbo of the International Civil Aviation Organisation.

Plans are also being prepared for the erection of a new joint air traffic control centre and the installation of surveillance radar. The Government policy has been to increase scheduled services and to permit the operation of inclusive tour charter operations from tourist generating areas. Altogether 20 with the airports at Athens, Ankara, Beirut, Lod, Damascus

making it possible for more than 20 foreign airlines to operate regular scheduled services to Nicosia, connecting Cyprus directly with the whole of the Middle East, most of Europe and a number of African countries.

Cyprus Airways, the national carrier, is also being used as an instrument to promote air transport and travel to Cyprus. The airline has been serving the island since 1947. In the beginning it operated only regional routes. The company abandoned operations in 1958 and, under an agreement, British European Airways undertook to provide the required air network on behalf of the company. In 1965, under a revised agreement with BEA, the company introduced its own local services by the operation of two Viscounts 806, still leaving the trunk routes to be operated by BEA.

In 1969 the company purchased one Trident Two aircraft and another in 1970, with which it operates scheduled services to Athens, Ankara, Beirut, Istanbul, Frankfurt, London, Cairo and Tel-Aviv. By 1972 it will acquire a third jet aircraft and a fourth by 1974. It is also projected that with the purchase of additional aircraft more points will be included in its itinerary, namely Paris, Copenhagen and Zurich or Geneva.

Meanwhile Cyprus Airways has established a subsidiary air company—Cypair Tours, with a view to operating inclusive tour charter flights mainly from Europe.

Another way explored to promote travel to the island has been the establishment of a conducive fare structure. The policy in this respect has been to devise an appropriate fare structure to and from Cyprus bearing in mind the market requirements for the development of

air traffic to the island. Thus far it has been possible to establish a variety of fares which include most types of promotional rates such as public excursion fares, individual and group inclusive tour fares, student fares, etc.

The effort and capital thus far invested in stimulating interest in Cyprus and in developing its air traffic and aviation in general has begun to return dividends.

20 airlines

Whereas in 1961 only six foreign airlines operated scheduled services to Cyprus, their number has today increased to 20. The number of public services (scheduled and non-scheduled) has also been increased from 6,427 in 1961 to 10,254 in 1970 and 8,359 in the first nine months of 1971 alone. Passenger traffic (arrivals, departures or transits through Nicosia Airport) more than doubled—from 168,000 in 1961 to 387,000 in 1970. During the first nine months of 1971 the number reached 389,000 passengers.

The Government has also spent £11m. since independence on improving the island's roads to cope with the steady increase of motor vehicles. It is also constructing, with the help of a loan from the World Bank, two new harbours at Limassol and Larnaca (at a sum of over £10m.) to help the development of the island's sea communications.

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Lombard

Why gold must stay in the picture

BY C. GORDON TETHER

THE GRANDILOQUENT way in which Mr. Connolly, the U.S. Treasury Secretary, announced on Monday that both he and President Nixon had been devoting a great deal of attention to the international monetary crisis during the past few weeks went some way to confirming the suspicion that many of us have had that they had not previously given much thought to it at all.

Unfortunately, his subsequent portrayal of the U.S. position on gold leaves it painfully clear that the "big think" has not produced an American approach to this important aspect of the monetary problem that is significantly more intelligent or realistic than the one that emerged from the preceding "non-think."

For one thing, it involved yet another of those almost daily about-turns that make it almost as easy to build up a coherent picture of the American standpoint as it would be to chart the course of an enraged bluebell in an overheated glasshouse.

Thus, as Mr. Connolly, the newly-confirmed chairman of the House-Senate Joint economic subcommittee on exchange and payments subsequently pointed out, Mr. Connolly's announcement that he was totally opposed to an increase in the dollar's gold content just a week after he had declared that this was a "negotiable issue."

Like plague

That is discouraging enough. What is even worse is that, operating in a higher gear, the Connolly-Nixon "think tank" managed to reach the conclusion that America might now be demanding nothing less than the instant demonetisation of gold. According to the latest Connolly dictum, the tiniest increase in the value of the dollar—even in terms of the depreciated dollar—would be calculated to militate against this "by re-assessing the importance of gold in the monetary system." So that, too, must be avoided like the plague.

One does not have to be a wild-eyed fanatic, dedicated to the proposition that monetary reform must reinstate gold at the heart of the payments system, to see that the gold thug the U.S. can expect the rest of the world to do is to consign the metal to the international liquidity scrapheap just because the dollar has proved to be an unsatisfactory substitute for it.

Cleanest

There is no doubt that the world monetary problem would be greatly eased—and at a stroke—by raising the price of gold to a realistic level. But there is also no difficulty in seeing that the metal cannot—in a modern context—be relied upon to provide, unaided, a full solution. For one thing, the supply-demand set-up is such that it cannot procure the carefully regulated addition to the stock of international reserves the world needs.

But the wise man does not throw away soiled water before he is assured of a supply of clean. And with the dollar discredited and the SDR still dependent for its standing on its link with gold, the world is unquestionably the nearest thing to clean liquidity we have.

It is conceivable that in the financial dream world of the future the SDR will be king, always provided it is equipped with a built-in guarantee against loss of purchasing power that will give it the special appeal which gold has had and which finally proved to be a dead end. But at this moment of time, the fair, the logical and the commonsense thing to do is to allow gold to continue to serve the international liquidity system to the fullest extent it can.

Unduly cheap

At the very least that means seeing that it is not forced to share the devaluation of the American dollar. Preferably, it means raising its market value far enough to prevent it forming such an unduly cheap form of top quality international liquidity that the inferior types the world must necessarily continue to use are constantly operating at a serious disadvantage.

It is too much to expect the Connolly-Nixon "think tank" to look at the issue in this way, seeing that it has come to regard gold as the mortal enemy of dollar imperialism. But there is no reason why the rest of the world should see itself as obliged to go along with the American attitude. If Washington wants to maintain a demonstration of gold in relation to the dollar, it can stop it. But others have a right to decide for themselves what they want to do. And having effectively washed its hands of the whole business, the U.S. must respect that right.

THE LEX COLUMN

Corporate identity in Hanson/Costain

The surprise news from Hanson Trust and Richard Costain is that it is a genuine merger into a new company that is being considered. The price reaction was a 15p rise in Costain to 234p while Hanson edged up 2p to 179p, a somewhat illogical one since there was a clear element of bid speculation in the Costain price before-hand, while the company's very comprehensive asset value estimate for 1970 showed about 185p net per share. But in any case what is being proposed is, at Tuesday's prices, a £80m. company splitting £26m./£24m. marginally in Hanson's favour, and it may well be that the split of the new group will not be far from 50/50.

On Costain's side, it is tempting to see the motivation in a defensive move to lighten its reliance on contracting. As for Hanson, the desire to double its equity base for nearly so for there is not much apparent room for debt in a combined company) looks provocative at first sight. It can only be seen as some sort of consolidation of

the rapid earnings growth. However, having eked most of the rationalisation potential out of its trading interests, Hanson was looking rather short of a corporate raison d'être. And while its own recent essay into property development had vaulted profits, the double attractions of Costain's £15m. of properties, including some good London sites, and its extensive overseas experience must have seemed a worthwhile spur. With or without loan stock the combined capitalisation looks creditable on a profit base of perhaps £4.10, plus, previous for calendar 1971.

Powell Duffryn

Just as drastic treatment for the ailments of Hy-Mac proved expensive last year—in the extent of trading losses for this subsidiary running up to £1.46m.—so there was an obvious recovery potential for Powell Duffryn this time round. And the upturn is materialising with a £490,000 rise in pre-tax profits to £182m. after six

months. However, it is too early to say whether Hy-Mac has dug itself completely out of trouble: it was still in the red for the seasonally unfavourable first half, and much depends on whether signs of deflation give a boost to construction industry sentiment in time for the New Year buying season. Even so, there ought to be a good £1m. of recovery here, against a fairly static overall pattern for the rest of the group—Hawthorn Engineering has put in another good performance and the timber side is doing well, but the shipping section is enduring the expected decline.

Turner & Newall

In 1965-66, Turner and Newall's Rhodesian profits were running at £1.93m. after tax: their absence last year was reckoned to be a cash flow including the extra cost of alternative supplies—against a group total of just over £5m. Rhodesia accounted for about a fifth of U.K. asbestos imports prior to UDI, but a political settlement need not upset the supply-demand balance since Rhodesian asbestos is believed to have been widely available in Europe for some time now. Moreover, Rhodesian asbestos must have been extremely cheap to produce, since 1965-66 earnings came from net assets of just £6.3m.

But there are other uncertainties apart from the final outcome of the talks and the current state of the mines, are not likely to fall below Rhodesia's last published profits of £2.07m. in the second half. They were up from an average of £1.1m. in the early 1960s, so there may have been an exceptional level of business time produced £2.56m. (using the retrospectively adjusted figures) so it remains to be seen whether the group's dive has been a physical property, or a process, the same might apply in reverse. Meanwhile, the last Rhodesian profits would be worth 3p per share to earnings: after a 14 per cent rise to 175p in the last eight trading days, a prospective p/e of perhaps 15, excluding Rhodesia but taking in "trade investments" might have more charms were it not for the fact that the long relative price decline dates back, not to UDI, but to 1961.

Johnson Matthey

Johnson Matthey has added to its string of depressing quarterly results with a 47 per cent pre-tax decline to £1.01m. in the

second quarter, against 42 per cent, to £1.06m. in the first. However, it is stated that profits are not likely to fall below £2.07m. in the second half. They were up from an average of £1.1m. in the early 1960s, so there may have been an exceptional level of business time produced £2.56m. (using the retrospectively adjusted figures) so it remains to be seen whether the group's dive has been a physical property, or a process, the same might apply in reverse. Meanwhile, the last Rhodesian profits would be worth 3p per share to earnings: after a 14 per cent rise to 175p in the last eight trading days, a prospective p/e of perhaps 15, excluding Rhodesia but taking in "trade investments" might have more charms were it not for the fact that the long relative price decline dates back, not to UDI, but to 1961.

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Commons to hear Rhodesia agreement details to-day

BY BRIDGET BLOOM AND TONY HAWKINS

SIX YEARS and 14 days after Rhodesia declared UDI, Britain agreed on terms for a settlement with Mr. Ian Smith and his Rhodesian Front Government which will, within a few months, give Rhodesia legal independence. The announcement that terms had been agreed, which was widely predicted last night, came at 11 a.m. local time today.

In a short joint statement Sir Alec Douglas-Home, the Foreign Secretary, and the Rhodesian Premier declared that Britain and Rhodesia "have reached agreement on proposals designed to bring to an end the constitutional dispute between the two countries."

The proposals, the statement said, would be "submitted to the Rhodesian people through a test of acceptability which will be organised as soon as possible."

Details of the proposals, which are for the time being kept secret by both sides, will be given simultaneously in the British and Rhodesian Parliaments tomorrow afternoon.

Warm cheers

The small, mainly European crowd, which had gathered in sunbathing outside Mr. Smith's office in central Salisbury, cheered both delegations as they left shortly after 11 a.m. Sir Alec for the airport and London and Mr. Smith and his Cabinet apparently for a celebratory drink.

Sir Alec, though smiling, made no comment. Mr. Smith, however, said that he believed the settlement was a good one, and when asked whether he thought it would be approved by the African majority declared that Rhodesia "has the happiest Africans in the world." His only answer to a question as to when majority rule might be achieved was a smile and a slight shrug.

The news of settlement has been greeted with some euphoria here in Salisbury. There appears to have been a good many European champagne parties today: Africans and Europeans alike

have been buying up the local newspaper's special "settlement supplement," while the local telephone exchange was temporarily unable to cope with the news of settlement spread.

But while there is obviously considerable and widespread relief that Rhodesia's six-year-old isolation is now ended, many people—at both ends of the political spectrum—are reserving judgment until the precise terms are known.

All that is available so far is according to a British spokesman, that the terms are "fully within the